

October 26, 2001

State of Utah
Division of Oil Gas & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114

ATTENTION: Lisha Cordova

Dear Lisha,

Enclosed is the APD for the NBU #398, NE/NW Sec. 18, T10S, R21E. Please notify me when an on-site date can be scheduled.

If you have questions or need additional information, please do not hesitate to call me, (435) 781-7023.

Sincerely,


Cheryl Cameron
Regulatory Analyst

RECEIVED

OCT 29 2001

**DIVISION OF
OIL, GAS AND MINING**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

001

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		CONFIDENTIAL	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No. NATURAL BUTTES	
2. Name of Operator EL PASO PRODUCTION O&G COMPANY		8. Lease Name and Well No. NBU 398	
3a. Address P.O. BOX 1148 VERNAL, UT 84078		9. API Well No. 43-047-34366	
3b. Phone No. (include area code) Ph: 435.781.7023 Fx: 435.789.4436		10. Field and Pool, or Exploratory NATURAL BUTTES	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NENW 678FNL 1867FWL At proposed prod. zone		11. Sec., T., R., M., or Blk. and Survey or Area Sec 18 T10S R21E Mer UBM	
14. Distance in miles and direction from nearest town or post office* 12.7 MILES SOUTHEAST OF OURAY, UT		12. County or Parish UINTAH	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 678		13. State UT	
16. No. of Acres in Lease 2167.00		17. Spacing Unit dedicated to this well 2167.00	
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C		20. BLM/BIA Bond No. on file BLM #WY3438	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5083 GL		23. Estimated duration	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|--|--|
| <ul style="list-style-type: none"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | <ul style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification 6. Such other site specific information and/or plans as may be required by the authorized officer. |
|--|--|

25. Signature (Electronic Submission) 	Name (Printed/Typed) CHERYL CAMERON Ph: 435.781.7023	Date 10/25/2001
Title OPERATIONS		
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 01-13-03
Title ENVIRONMENTAL SCIENTIST III		

Federal Approval of this Action is Necessary

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #8246 verified by the BLM Well Information System
For EL PASO PRODUCTION O&G COMPANY, sent to the Vernal

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OCT 29 2001

DIVISION OF
OIL, GAS AND MINING

** ORIGINAL **

T10S, R21E, S.L.B.&M.

EL PASO PRODUCTION OIL & GAS COMPANY

Well location, NBU #398, located as shown in the NE 1/4 NW 1/4 of Section 18, T10S, R21E, S.L.B.&M. Uintah County, Utah.

1928 Brass Cap, 1.2' High, Set Stone, Scattered Stones
N88°31'00"W - G.L.O. (Basis of Bearings)
2674.93' - (Measured)

N88°31'W - 40.29 (G.L.O.)

1977 Brass Cap, Pile of Stones

S68°49'38"E
2012.09'

678'

1867'
(Comp.)

NBU #398

Elev. Ungraded Ground = 5084'

Lot 5

Lot 6

18

Lot 7

Lot 8

N00°42'W - 42.05 (G.L.O.)

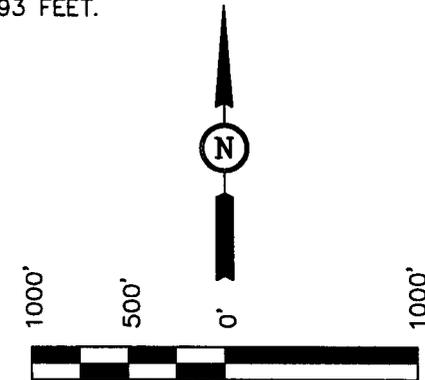
N00°29'W - 40.38 (G.L.O.)

N00°35'W - 80.56 (G.L.O.)

N89°50'W - 80.78 (G.L.O.)

BASIS OF ELEVATION

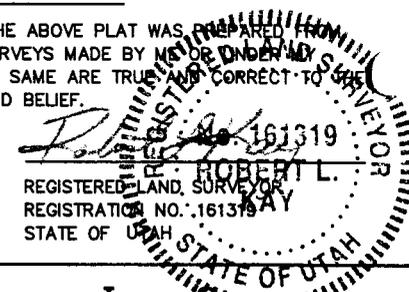
SPOT ELEVATION ON A HILL TOP IN THE SE 1/4 OF SECTION 7, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5193 FEET.



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

LATITUDE = 39°57'13"

LONGITUDE = 109°35'50"

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 8-7-01	DATE DRAWN: 8-13-01
PARTY B.B. W.L. C.G.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE EL PASO PRODUCTION PRODUCTION COMPANY	

NBU #398
NE/NW Sec. 18, T10S, R21E
UINTAH COUNTY, UTAH
U-02270-A

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. **Estimated Tops of Important Geologic Markers:**

<u>Formation</u>	<u>Depth</u>
KB	5090'
Green River	1275'
Wasatch	4550'
TD	6800'

2. **Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Gas	Green River	1275'
	Wasatch	4550'
Water	N/A	
Other Minerals	N/A	

3. **Pressure Control Equipment** (Schematic Attached)

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

4. **Proposed Casing & Cementing Program:**

Please see the Natural Buttes Unit SOP.

5. **Drilling Fluids Program:**

Please see the Natural Buttes Unit SOP.

6. **Evaluation Program:**

Please see the Natural Buttes Unit SOP.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 6800' TD, approximately equals 2720 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1224 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

9. **Variations:**

Please see Natural Buttes Unit SOP.

10. **Other Information:**

Please see Natural Buttes Unit SOP.

**NBU #398
NENW Sec. 18,T10S,R21E
UINTAH COUNTY, UTAH
U-02270-A**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Total distance from Vernal, Utah to the proposed location is approximately 43.7 miles. Refer to the attached location directions.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius. *Improvements to existing roads shall be determined at the on-site inspection.*

2. Planned Access Roads:

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

Approximately 0.1 miles of new access road is proposed. Refer to Topo Map B.

3. Location of Existing Wells Within a 1-Mile Radius

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities

Please see the Natural Buttes Unit SOP.

Approximately 1500' of pipeline is proposed. Refer to Topo Map D for the location of the proposed pipeline.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon (2.5Y 6/2), a non-reflective earthtone.

5. Location and Type of Water Supply:

Please see the Natural Buttes SOP.

6. Source of Construction Materials

Please see the Natural Buttes SOP.

7. Methods of Handling Waste Materials

Please see the Natural Buttes SOP.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E (*Request is in lieu of filing Form 3160-5, after initial production*).

8. Ancillary Facilities

Please see the Natural Buttes SOP.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s). ***This section is subject to modification as a result of the on-site inspection.***

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

The need for a reserve pit liner shall be determined at the on-site inspection.

Location size may change prior to the drilling of the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling rig. The location will be re-surveyed and a form 3160-5 will be submitted.

10. Plans for Reclamation of the Surface:

Please see the Natural Buttes SOP.

The following seed mixture will be used to reclaim the surface. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for ***drilled*** seed are:

Shadscale	4 lbs.
Gardiner Salt Brush	4 lbs.
Galleta Rice Grass	4 lbs.

11. Surface Ownership:

The well pad and access road are located on lands owned by:

SITLA
675 East 500 South, Suite 500
Salt Lake City, Utah

12. Other Information:

A Class III archaeological survey has been conducted and a copy of this report is attached.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within the boundaries of the Unit.

13. **Lessee's or Operators's Representative & Certification:**

Cheryl Cameron
Regulatory Analyst
El Paso Production O&G Co.
P.O. Box 1148
Vernal, UT 84078
(435) 781-7023

Scott Palmer
Drilling Manager
El Paso Production O&G Co.
9 Greenway Plaza, Suite 2770
Houston, TX 77046
(713) 420-4850

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

El Paso O&G Co. is considered to be the operator of the subject well. El Paso O&G Co. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon leased lands.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

/s/Cheryl Cameron
Cheryl Cameron



10/25/01

Date

elpaso Production
DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				2950	1370	263000
SURFACE	8-5/8"	0-250'	24.00	K-55	STC	21.03	11.71	4.70
						5350	4960	180000
PRODUCTION*	4-1/2"	0-TD	11.60	K-55	LTC	2.23	1.56	1.40

- 1) Maximum Anticipated Surface Pressure (MASP) (Conductor and Surface Casings) = (Frac Gradient at Shoe - Gas Gradient (0.115 psi/ft))(TVD)
 - 2) MASP (Int Casing) = Pore Pressure at Next Casing Point - (Gas Gradient x TVD of Next Casing Point x 0.67) - (Mud Weight x TVD x 0.052 x 0.33)
 - 3) MASP (Prod Casing) = Pore Pressure - (Gas Gradient x TVD of Production Interval)
- (Burst Assumptions: FG @ 8-5/8" shoe = 13.0 ppg, Max Pore Pressure = 9.0 ppg EMW)
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing, 50000 lbs overpull)
 *Utilize 5-1/2", 17#, N-80 if 4-1/2" is not available.

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS*	WEIGHT	YIELD
SURFACE		250	Premium Plus + 2% CaCl2 + 0.125 pps polyflake	140	35%	15.60	1.18
PRODUCTION	LEAD	4,050'	Hifill + 10 pps gilsonite + 0.125 pps polyflake	380	60%	11.00	3.82
	TAIL	2,750'	50/50 POZ + 0.6% Halad 322 + 2% gel + 5% salt + 0.125 pps polyflake	830	60%	14.35	1.22

* or 15% over caliper log

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

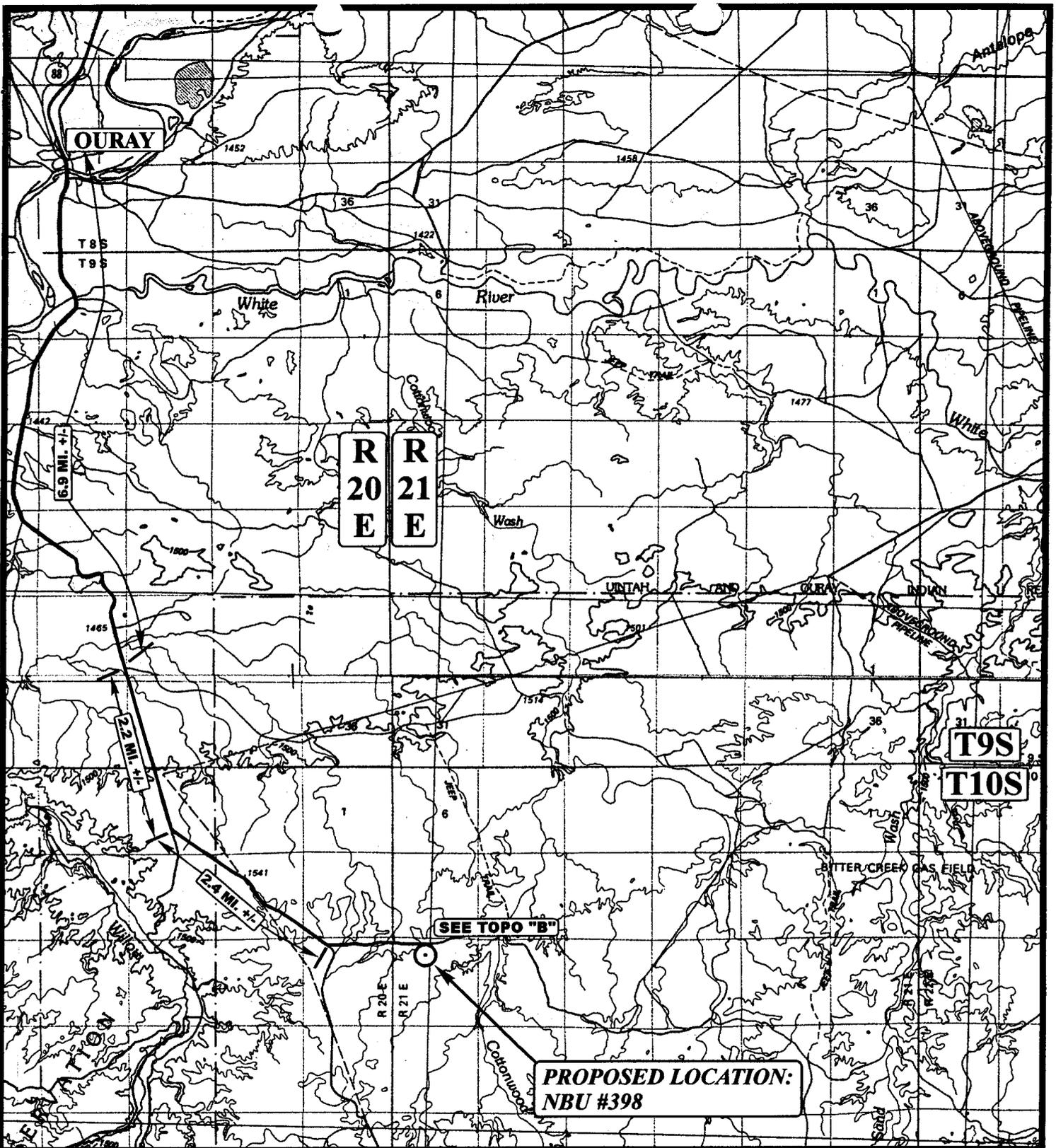
Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.
 BOPE: 11" 3M with one annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.
 Run Totco surveys every 1000'. Maximum allowable hole angle is 5 degrees.

DRILLING ENGINEER: _____
 Dan Lindsey

DATE: _____

DRILLING SUPERINTENDANT: _____
 Larry Strasheim

DATE: _____



LEGEND:

○ PROPOSED LOCATION



EL PASO PRODUCTION OIL & GAS COMPANY

NBU #398

SECTION 18, T10S, R21E, S.L.B.&M.

678' FNL 1867' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

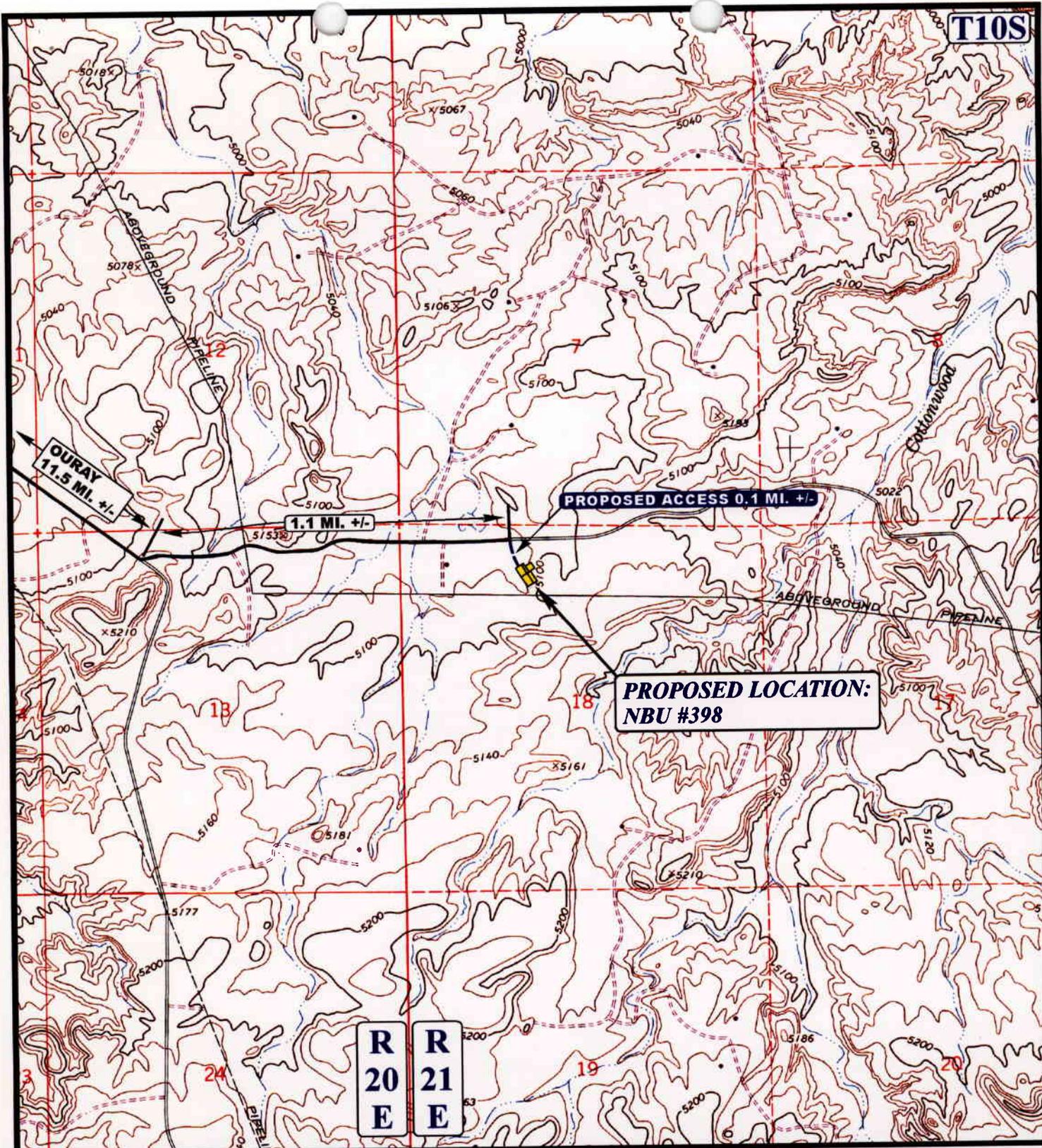
TOPOGRAPHIC
MAP

8	8	01
MONTH	DAY	YEAR

SCALE: 1:100,000 **DRAWN BY: P.M.** **REVISED: 00-00-00**



T10S



LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD

EL PASO PRODUCTION OIL & GAS COMPANY

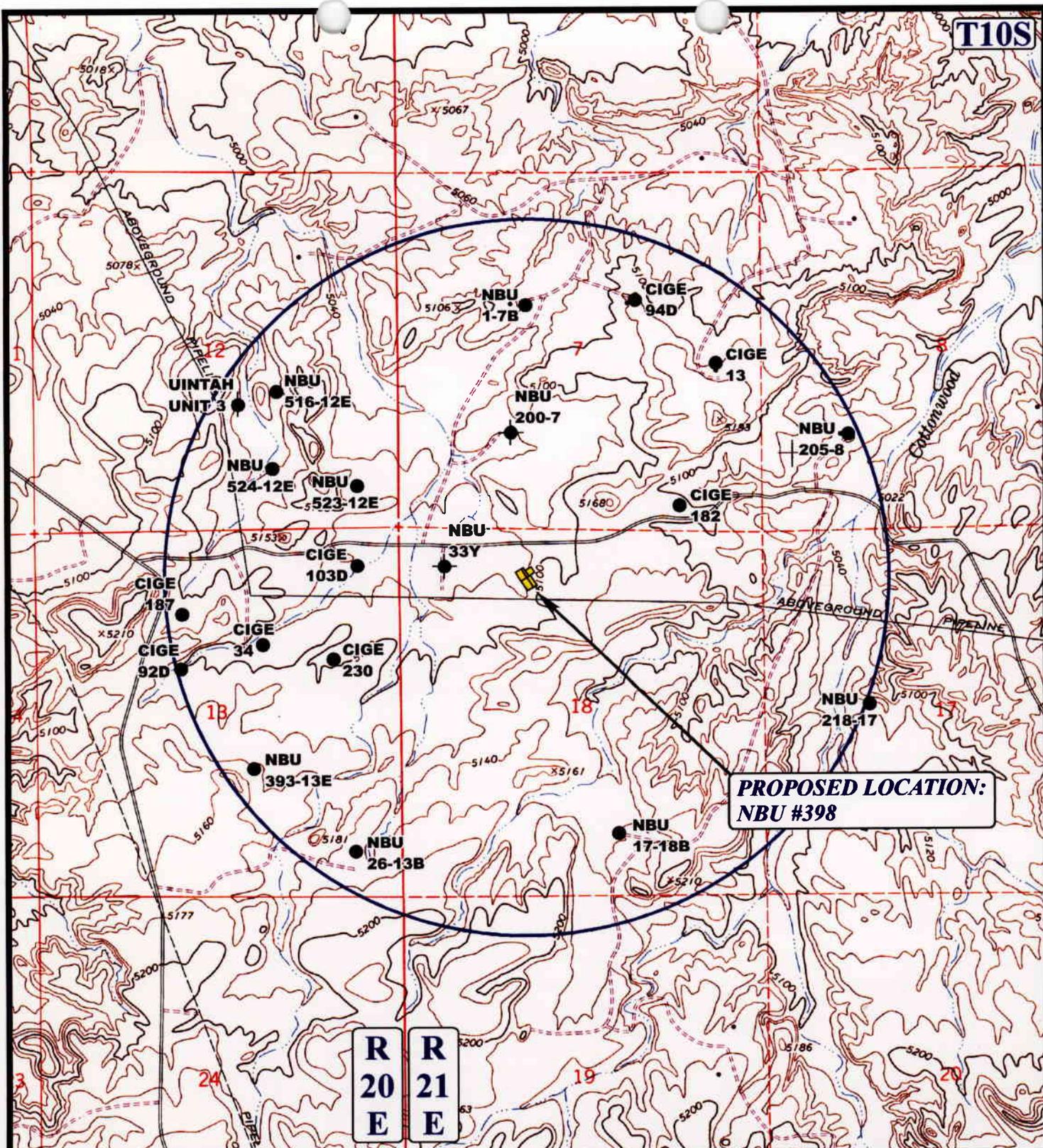
NBU #398
SECTION 18, T10S, R21E, S.L.B.&M.
678' FNL 1867' FWL



U E I S Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP 8 8 01
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00 **B**
 TOPO

T10S



**PROPOSED LOCATION:
NBU #398**

R
20
E

R
21
E

LEGEND:

- ⊗ DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- ⊗ WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

EL PASO PRODUCTION OIL & GAS COMPANY

**NBU #398
SECTION 18, T10S, R21E, S.L.B.&M.
678' FNL 1867' FWL**

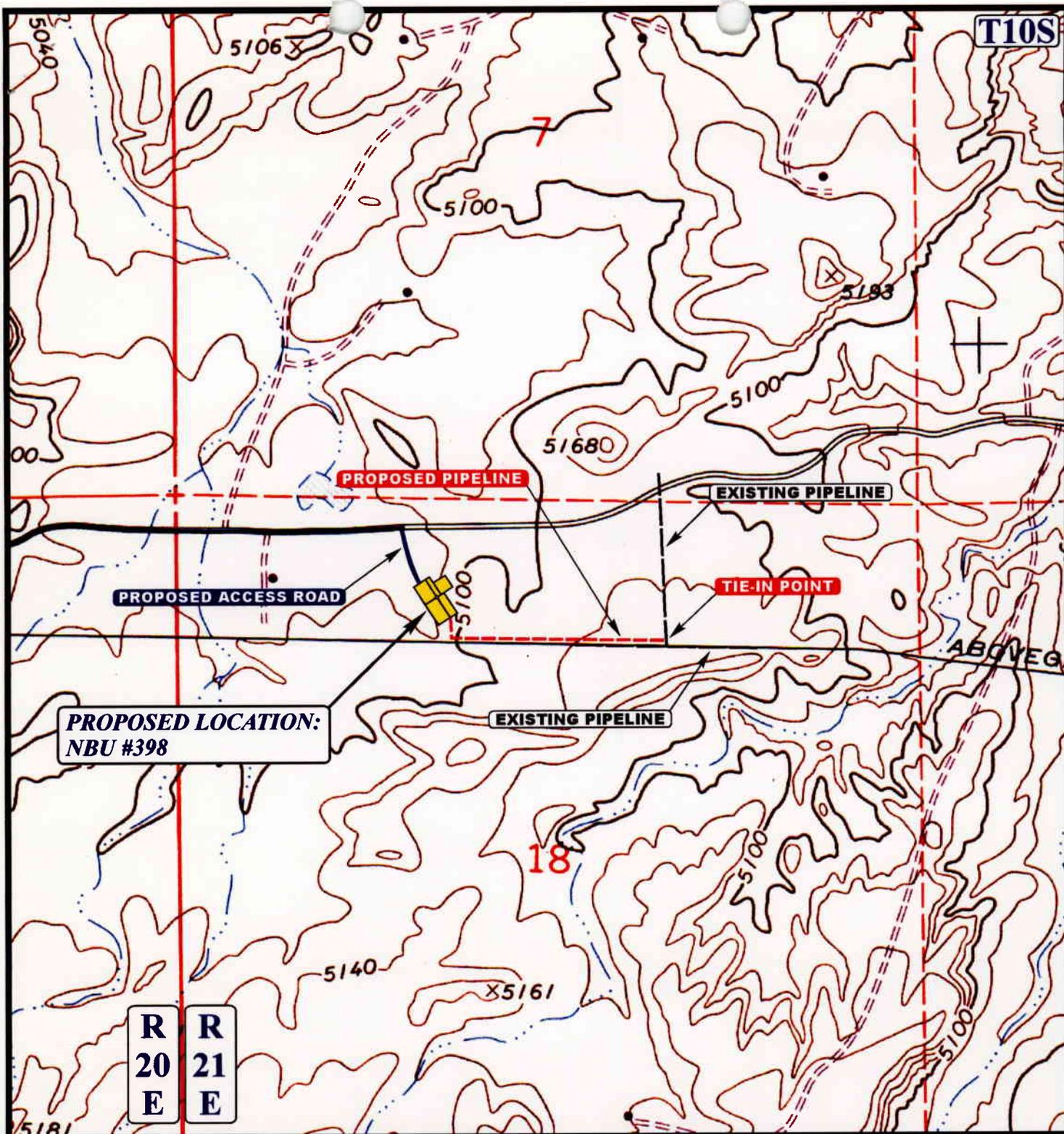


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



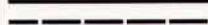
TOPOGRAPHIC MAP 8 8 01
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 1500' +/-

LEGEND:

-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED ACCESS

EL PASO PRODUCTION OIL & GAS COMPANY

NBU #398

SECTION 18, T10S, R21E, S.L.B.&M.

678' FNL 1867' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



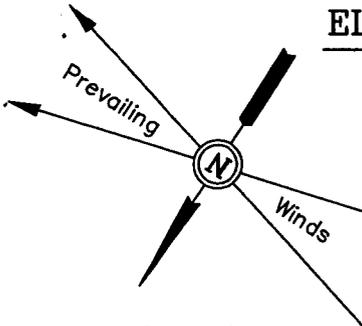
TOPOGRAPHIC MAP 8 8 01
 MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 00-00-00



EL PASO PRODUCTION OIL & GAS COMPANY

LOCATION LAYOUT FOR

NBU #398
SECTION 18, T10S, R21E, S.L.B.&M.
678' FNL 1867' FWL



SCALE: 1" = 50'
DATE: 8-14-01
Drawn By: C.G.

C-7.5'
El. 90.9'

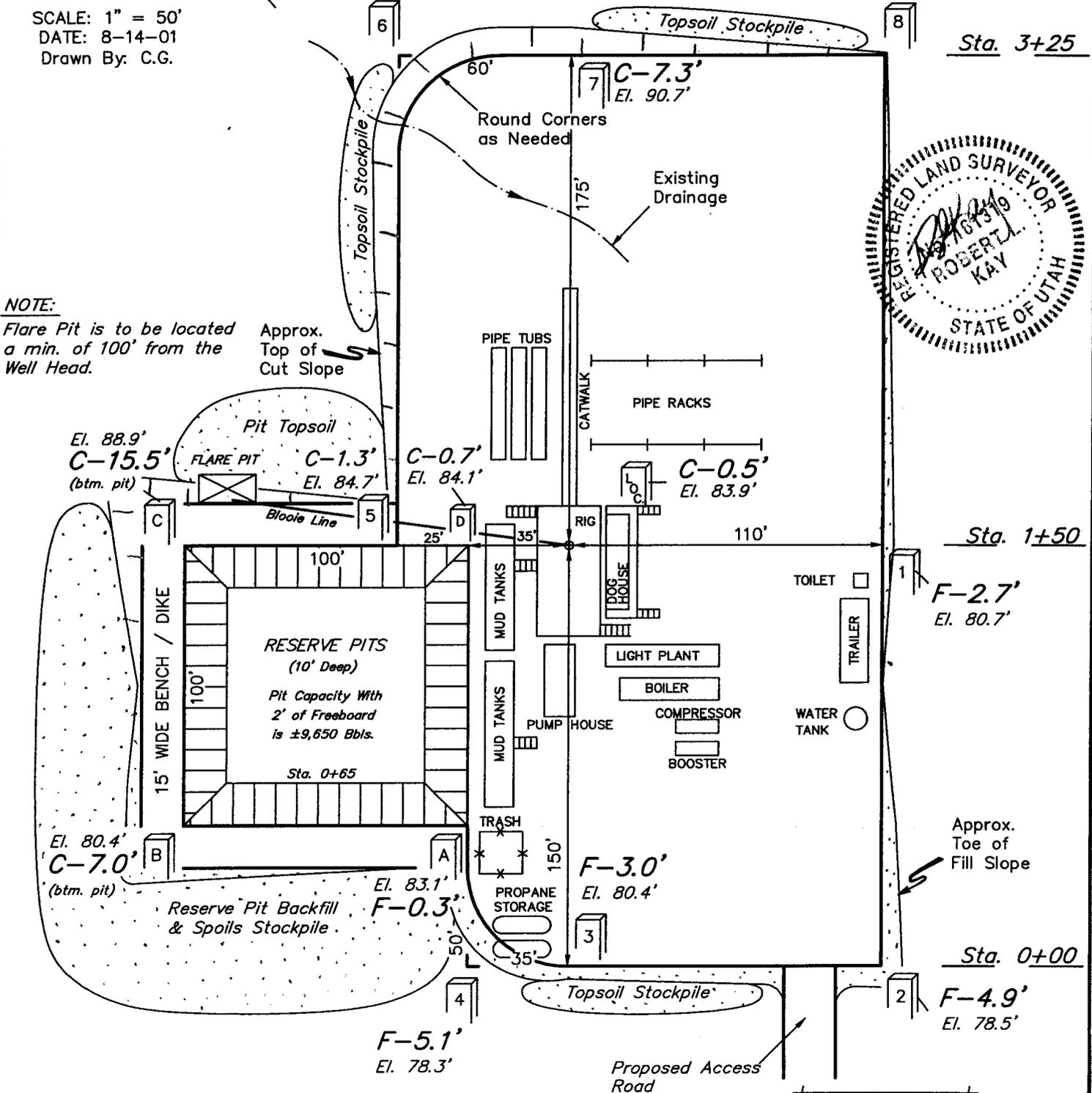
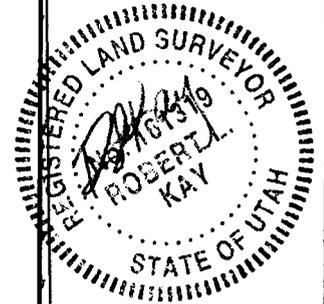
C-0.6'
El. 84.0'

Sta. 3+25

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.

Approx. Top of Cut Slope



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5083.9'
FINISHED GRADE ELEV. AT LOC. STAKE = 5083.4'

FIGURE #1

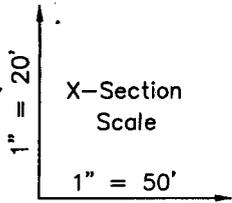
EL PASO PRODUCTION OIL & GAS COMPANY

TYPICAL CROSS SECTIONS FOR

NBU #398

SECTION 18, T10S, R21E, S.L.B.&M.

678' FNL 1867' FWL



DATE: 8-14-01
Drawn By: C.G.

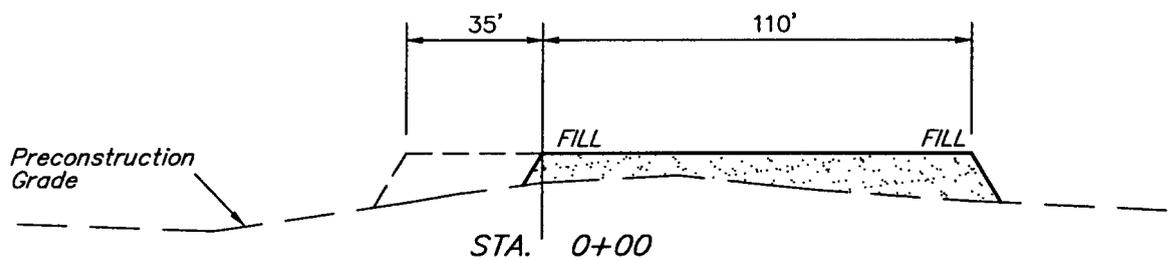
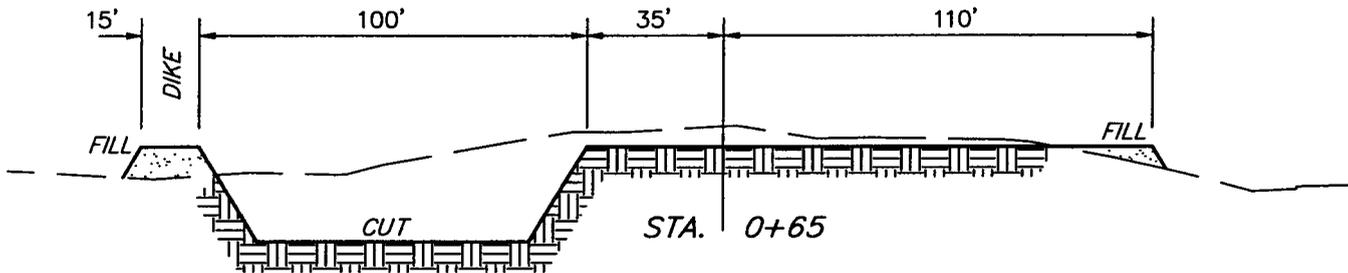
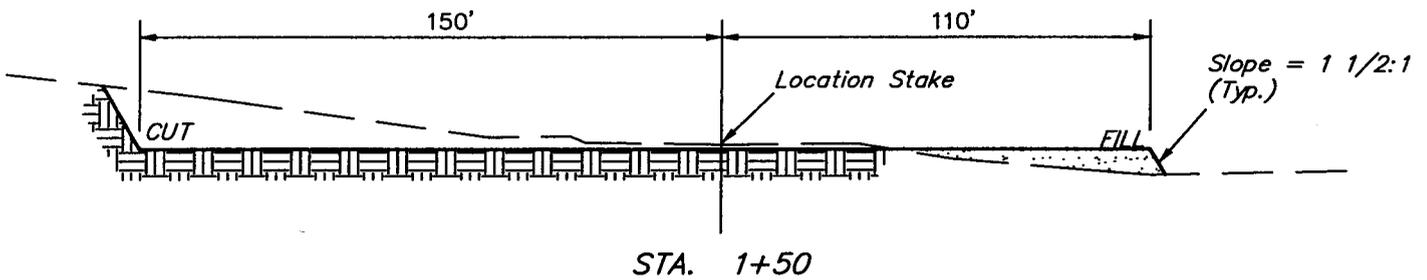
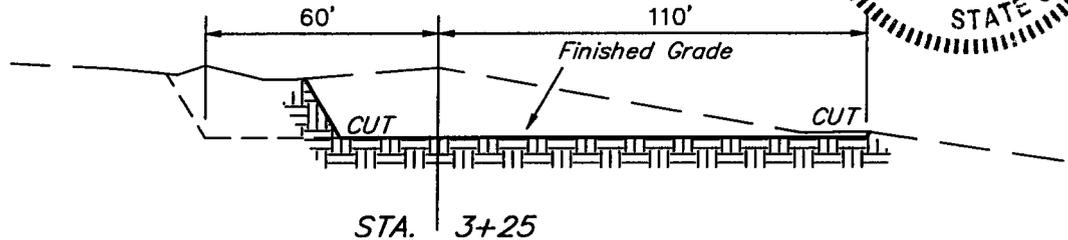


FIGURE #2

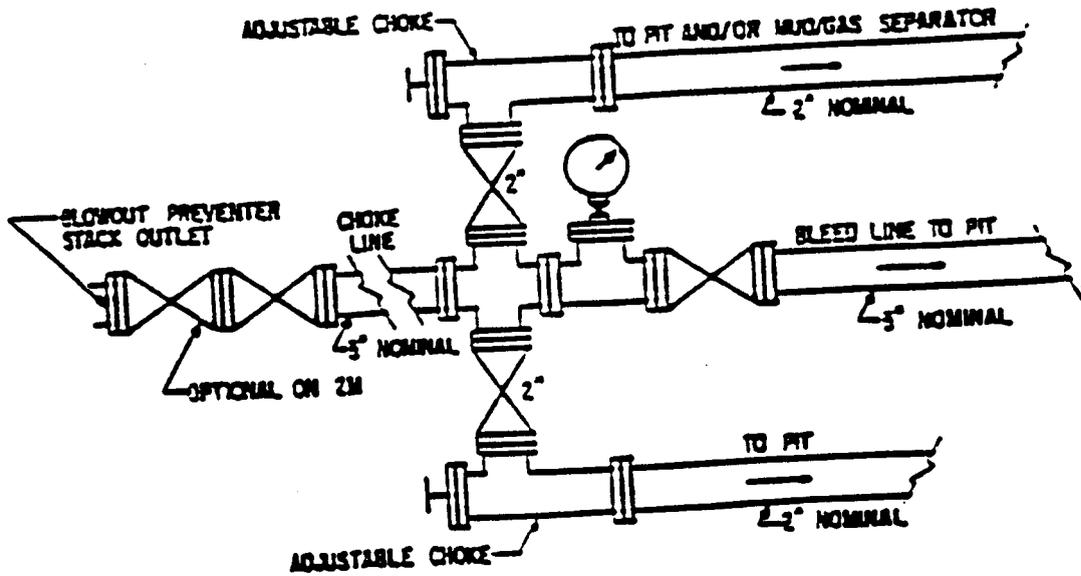
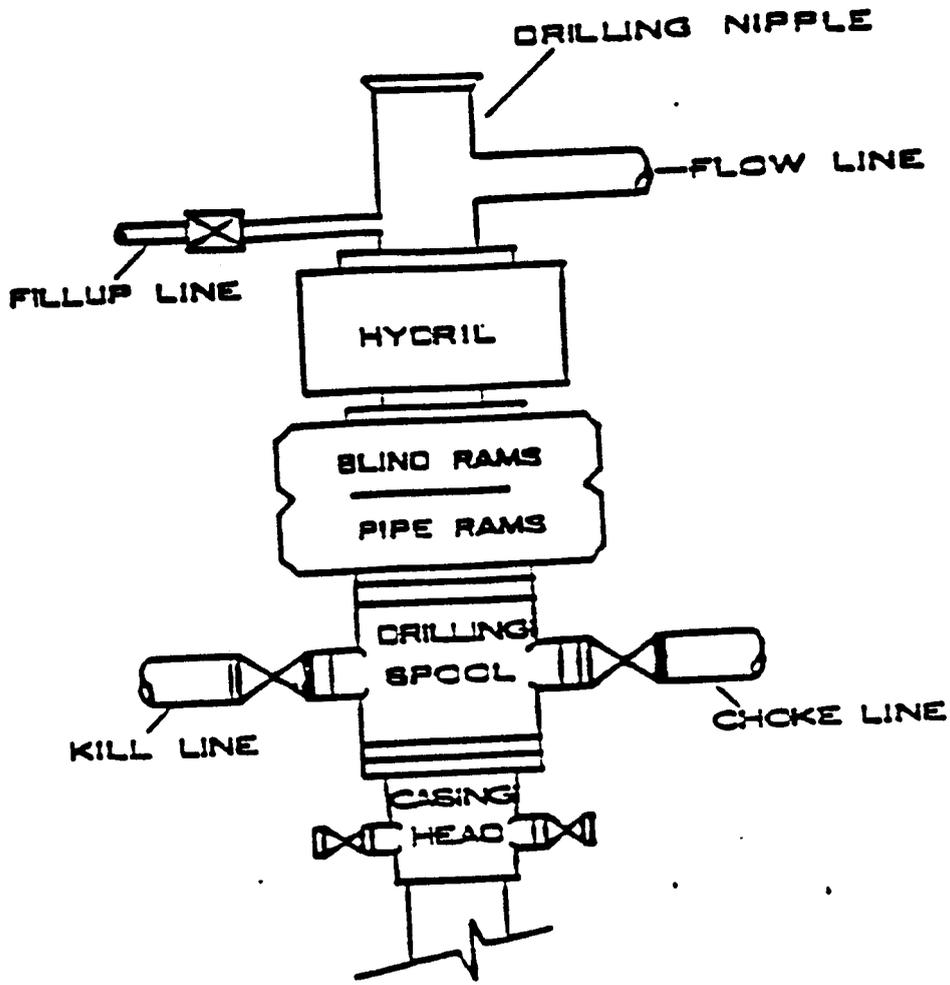
APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,220 Cu. Yds.
Remaining Location	= 5,320 Cu. Yds.
TOTAL CUT	= 6,540 CU.YDS.
FILL	= 1,870 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 4,570 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,560 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 2,010 Cu. Yds.

3,000 PSI

BOP STACK



CULTURAL RESOURCE INVENTORY OF
EL PASO PRODUCTION'S
NATURAL BUTTES 10 WELL LOCATIONS,
UINTAH COUNTY, UTAH

Keith R. Montgomery

**CULTURAL RESOURCE INVENTORY OF
EL PASO PRODUCTION'S
NATURAL BUTTES TEN WELL LOCATIONS,
UINTAH COUNTY, UTAH**

Keith R. Montgomery

Prepared For:

**Bureau of Land Management
(Vernal Field Office)**

Prepared Under Contract With:

**El Paso Production Oil and Gas Company
1368 South 1200 East
Vernal, Utah 84078**

Prepared By:

**Montgomery Archaeological Consultants
P.O. Box 147
Moab, Utah 84532**

MOAC Report No. 01-120

August 28, 2001

**United States Department of Interior (FLPMA)
Permit No. 01-UT-60122**

**State of Utah Antiquities Project (Survey)
Permit No. U-01-MQ-0532b**

INTRODUCTION

A cultural resource inventory was conducted by Montgomery Archaeological Consultants (MOAC) in August 2001 for El Paso Production Oil and Gas Company proposed ten well locations. The proposed well locations are situated in the Natural Buttes area, southeast of Ouray, Utah. The survey was implemented at the request of Mr. Carroll Estes, El Paso Production Oil and Gas Company, Vernal, Utah. The project is situated on land administered by the Bureau of Land Management (BLM), Vernal Field Office

The objective of the inventory was to locate, document, and evaluate any cultural resources within the project area in order to comply with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended). Also, the inventory was implemented to attain compliance with a number of federal and state mandates, including the National Environmental and Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and Utah State Antiquities Act of 1973 (amended 1990).

The fieldwork was performed on August 24, 2001 by Keith R. Montgomery, Principal Investigator for MOAC and Jacki Montgomery. The project was initiated under the auspices of U.S.D.I. (FLPMA) Permit No. 01-UT-60122 and State of Utah Antiquities Permit (Survey) No. U-01-MQ-0532b.

A file search was performed by Sarah Ball at the Utah Division of State History on August 21, 2001. This consultation indicated that numerous archaeological inventories have been completed in the project area. In 1991, Metcalf Archaeological Consultants (MAC) inventoried several Natural Butte well locations for Coastal Oil and Gas Corporation (Scott 1991a, b). No cultural resources were located. That same year, MAC inventoried 18 proposed well locations and access routes for Coastal Oil and Gas Corporation on State of Utah lands (O'Brien, Lubinski, and Scott 1991). One of the proposed well locations, CIGE #136, is near the current project area. No cultural resources were found during the inventory of this proposed well location and access route. In 1992, Archeological-Environmental Research Corporation (AERC) reported on its 1990 and 1991 cultural evaluations in eastern Utah for the Seep Ridge-Book Cliffs highway route and four alternate corridors (Hauck 1992). A total of 44 new archaeological sites were recorded, and an additional 33 previously recorded sites were relocated. The sites consisted of rock art, rock shelters, lithic scatters, habitations, temporary camps, a Ute burial, European American surface and dugout occupations, roadways, a historic cabin, a historic mine, a railroad, and historic inscriptions. Of the 77 total sites, 58 were evaluated as eligible for inclusion to the NRHP. In 1997, MAC conducted an inventory of five COG well locations and associated pipeline and access routes (Spath 1997). No cultural resources were found. A survey was conducted near the current project area in 2000 by AERC, and the

project number is U-00-AF-504. A report pertaining to this inventory is not on file at the federal or state agency offices. However, the file search indicated that the inventory resulted in a finding of no archaeological resources.

DESCRIPTION OF PROJECT AREA

The ten proposed El Paso Production well locations are situated in the Natural Buttes Field, southeast of Ouray, Utah (Figures 1 and 2, Table 1). A total of 143.2 acres was inventoried. The proposed well locations are located on BLM administered land (Vernal Field Office).

Environment

The study area lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). The Uinta Basin ecosystem is within the Green River drainage, considered to be the northernmost extension of the Colorado Plateau. The geology is comprised of Tertiary age deposits which include Paleocene age deposits, and Eocene age fluvial and lacustrine sedimentary rocks. The Uinta Formation, which is predominate in the project area, occurs as eroded outcrops formed by fluvial deposited, stream laid interbedded sandstone and mudstone, and is known for its prolific paleontological localities. The elevation ranges from 4940 to 5480 feet a.s.l. The project occurs within the Upper Sonoran Desert Shrub Association which includes shadscale, sagebrush, mat saltbrush, snakeweed, rabbitbrush, prickly pear cactus, Indian Ricegrass and non-native grasses. Modern disturbances include roads, and oil/gas development.

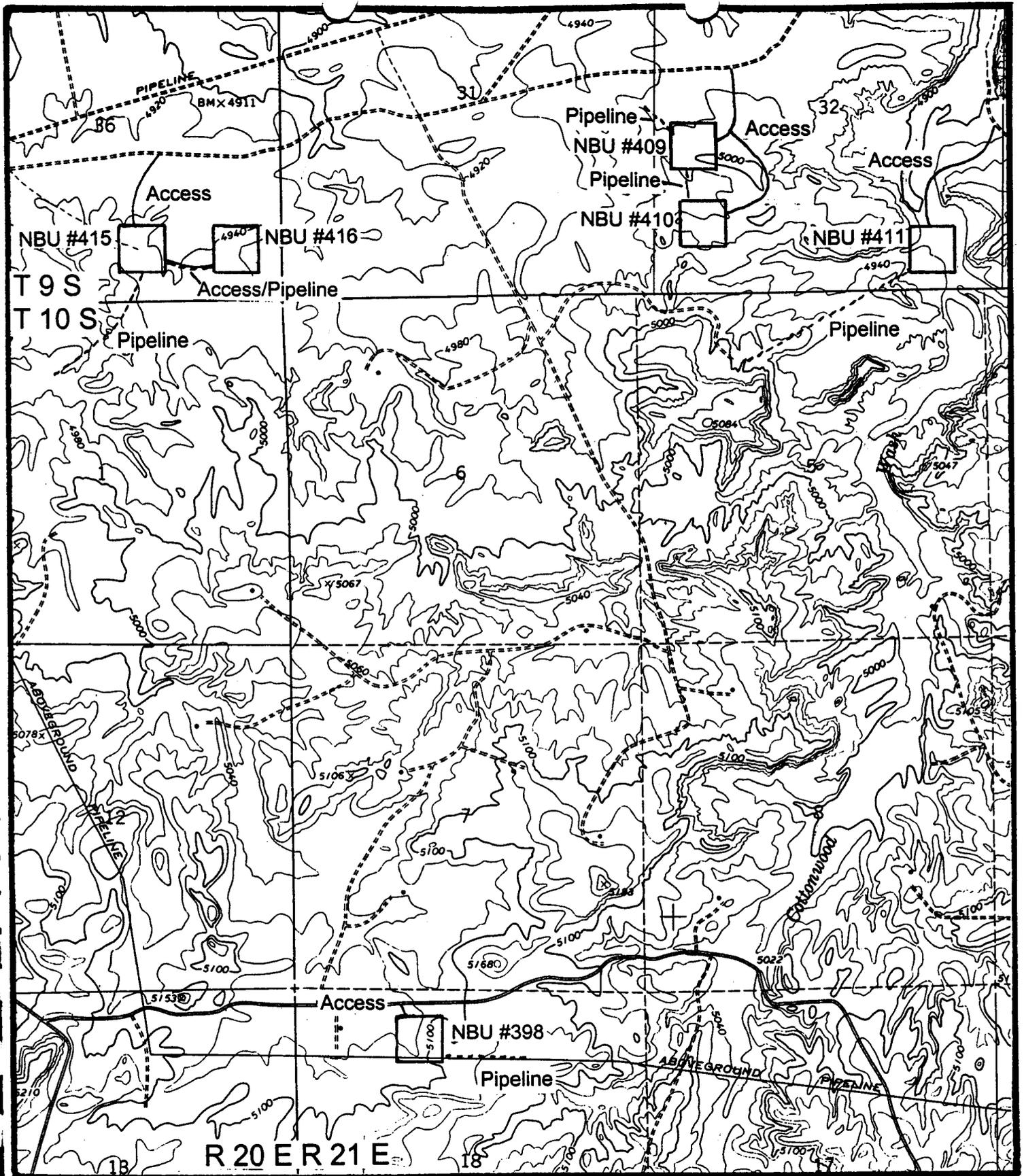


Figure 1. Inventory Area of El Paso Production Oil and Gas Company's NBU #398, NBU #409, NBU #410, NBU #411, NBU #415, and NBU #416, well locations. USGS 7.5' Big Pack Mtn. NE, Utah 1968. Scale 1:24000.

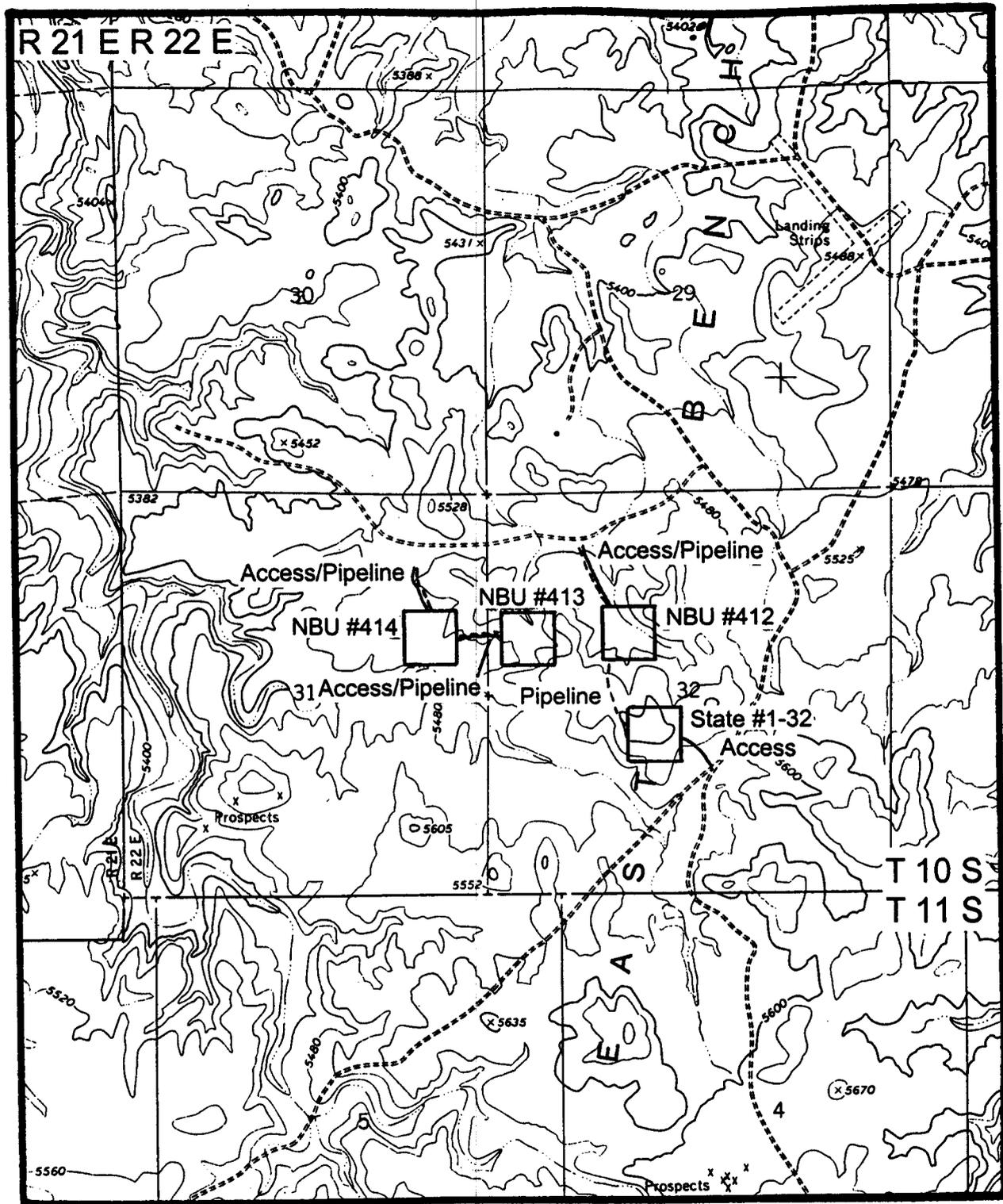


Figure 2. Inventory Area of El Paso Production Oil and Gas Company's NBU #412, NBU #413, NBU #414, and State #1-32 well locations. USGS 7.5' Archy Bench, Utah 1987. Scale 1:24000.

Table 1. El Paso Production's Natural Butte Ten Well Locations

Well Location Designation	Legal Location	Location at Surface	Access/Pipeline	Cultural Resources
NBU #398	T 10S, R 21E, Sec. 18 NE/NW	678' FNL 1867' FWL	Access 200' Pipeline 1200'	None
NBU #409	T 9S, R 21E, Sec. 32 NW/SW	2223' FSL 625' FWL	Access 1300' Pipeline 500'	None
NBU #410	T9S, R21E, Sec. 32 SW/SW	1052' FSL 778' FWL	Access 1800' Pipeline 500'	None
NBU #411	T9S, R21E, Sec. 32 SE/SE	612' FSL 1037' FEL	Access 1800' Pipeline 2800'	None
NBU #412	T10S, R22E, Sec. 32 SE/NW	1870' FNL 1860' FWL	Access/Pipeline 800'	None
NBU #413	T10S, R22E, Sec. 32 SW/NW	1906' FNL 546' FWL	Access/Pipeline 500'	None
NBU #414	T10S, R22E, Sec. 31 SE/NE	1885' FNL 724' FEL	Access/Pipeline 600'	None
NBU #415	T9S, R20E, Sec. 36 SW/SE	828' FSL 2085' FEL	Access 1100' Pipeline 2200'	None
NBU #416	T9S, R20E, Sec. 36 SE/SE	794' FSL 661' FEL	Access/Pipeline 700'	None
State #1-32	T10S, R22E, Sec. 32 NE/SW	2039' FSL 2196' FWL	Access 500' Pipeline 1000'	None

SURVEY METHODOLOGY

An intensive pedestrian survey was performed for this project which is considered 100% coverage. At each of the proposed well locations, a ten acre area centered on the center stake of the location was surveyed by the archaeologists walking parallel transects space no more than 10 meters apart. The access and pipeline corridors were 100 feet wide, surveyed by walking parallel transects along the staked centerline, spaced no more than 10 m (30 ft) apart. A wider corridor (150 foot) was inspected when access/pipeline routes share a corridor. Ground visibility was considered to be good. A total of 143.2 acres was inventoried on BLM (Vernal Field Office) administered land.

INVENTORY RESULTS AND RECOMMENDATIONS

The inventory of the ten proposed El Paso Production Oil and Gas Company well locations resulted in the location of no archaeological resources. Based on the findings, a determination of "no historic properties affected" is proposed for this development project pursuant to Section 106, CFR 800.

REFERENCES CITED

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- O'Brien, P.K., P.M. Lubinski, and J.M. Scott
1991 Cultural Resources Inventory for 18 Proposed Coastal Oil and Gas Corporation Well and Access Locations on State of Utah Lands, Uintah County, Utah. Metcalf Metcalf Archaeological Consultants, Eagle, CO. Project No. U-91-MM-044(s). On file at the Utah Division of State History.
- Scott, J.M.
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- Spath, C.
1997 Coastal Oil and Gas Corporation's Proposed CIGE #s 203, 210, 212, 220 and NBU #272 Well Pads, Pipelines and Access, Section 34, T9S, R21E, Sections 31 and 34, T9S, R22E, Section 16, T10S, R21E, and Section 11, T10S, R22E, Uintah County, Utah. Metcalf Archaeological Consultants, Eagle, CO. Project No. U-97-MM-0120s. On file at the Utah State Division of History, Salt Lake City.
- Stokes, W.L.
1986 *Geology of Utah*. Utah Museum of Natural History and Utah Geological and Mineral Survey, Salt Lake City.

EL PASO PRODUCTION OIL & GAS COMPANY

NBU #398

LOCATED IN UINTAH COUNTY, UTAH
SECTION 18, T10S, R21E, S.L.B.&M.

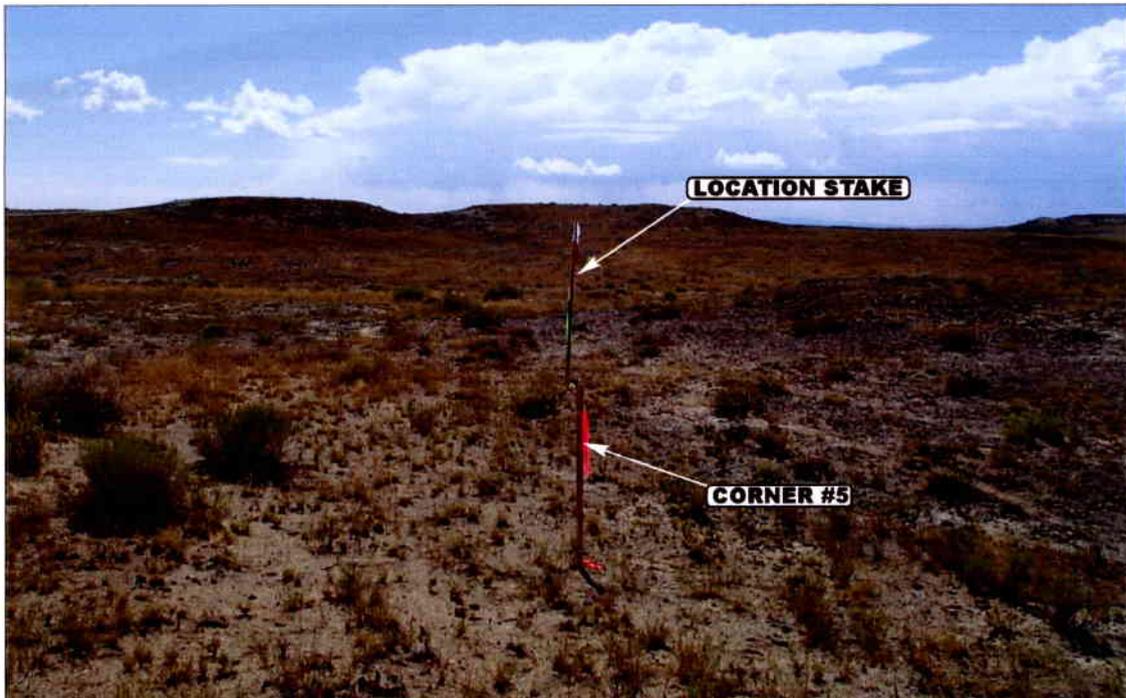


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: SOUTHERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

8

MONTH

8

DAY

01

YEAR

PHOTO

TAKEN BY: B.B.

DRAWN BY: P.M.

REVISED: 00-00-00

EL PASO PRODUCTION OIL & GAS COMPANY

NBU #398

SECTION 18, T10S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 6.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 2.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 2.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.1 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTH; FOLLOW ROAD FLAGS IN A SOUTHERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 43.7 MILES.

**INDUSTRIAL
SPECIAL USE LEASE AGREEMENT NO. 1366**

11 10 2003
DIV. OF OIL, GAS & MINING

Fund: School

The STATE OF UTAH, acting by and through the SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION, LESSOR, hereby leases to El Paso Production Oil & Gas Company, LESSEE, a Delaware Corporation, qualified to do business in Utah, 9 Greenway Plaza, Houston, Texas 77046, the following described parcel of trust land ("Subject Property") in Uintah County, Utah, to-wit:

WELL PAD SITE - CIGE#275
Township 10 South, Range 21 East, SLB&M
Section 21:

Surface Use Area Description:

Beginning at a point in the NE4NW4 of Section 21, T10S, R21E, SLB&M, which bears South 39°08'30" West 666.71 feet from the North Quarter Corner of said Section 21; thence South 56°58'29" East 232.79 feet; thence South 33°01'23" West 199.90 feet; thence South 56°11'09" West 190.09 feet; thence North 57°00'29" West 107.86 feet; thence North 57°00'29" West 112.08 feet; thence North 33°01'39" East 374.80 feet; thence South 56°58'29" East 61.89 feet to the point of beginning. Basis of bearings is the West Line of the SW4 of said Section 21, which is assumed from G.L.O. information to bear North 0°14' West. Contains 2.385 acres more or less.

Road Right of Way Description:

A 30 foot wide right of way, 15 feet on each side of the following described centerline.

Beginning at a point in the NW4NE4 of Section 21, T10S, R21E, SLB&M, which bears South 39°47'48" East 268.17 feet from the North Quarter Corner of said Section 21; thence South 07°41'14" West 273.71 feet; thence South 31°19'17" West 60.84 feet; thence South 89°35'20" West 90.54 feet; thence North 86°41'54" West 166.28 feet; thence North 80°11'42" West 155.17 feet; thence South 83°27'56" West 80.20 feet; thence South 68°11'39" West 37.84 feet to a point in the NF4NW4 of said Section 21 which bears South 39°08'30" West 666.71 feet from the North Quarter Corner of said Section 21. The side lines of said described right of way being shortened or elongated to meet the grantor's property lines. Basis of bearings is the West Line of the SW4 of said Section 21, which is assumed from G.L.O. information to bear North 0°14' East. Contains 0.595 acres more or less.

Pipeline Right of Way Description:

A 30 foot wide right of way, 15 feet on each side of the following described centerline.

Beginning at a point in the NE4NW4 of Section 21, T10S, R21E, SLB&M, which bears South 34°10'38" West 1037.86 feet from the North Quarter Corner of said Section 21; thence South 36°57'20" West 13.60 feet; thence North 69°25'37" West 834.82 feet to a point in the

NW4NW4 of said Section 21 which bears South 67°13'58" West 1488.77 feet from the North Quarter Corner of said Section 21. The sidelines of said described right-of-way being shortened or elongated to meet the grantor's property lines. Basis of bearings is the West Line of the SW4 of said Section 21, which is assumed from G.L.O. information to bear North 0°14' East. Contains 0.584 acres more or less.

WELL PAD SITE - CIGE#276

Township 10 South, Range 21 East, SLB&M

Section 21:

Surface Use Area Description:

Beginning at a point in the NE4NW4 of Section 21, T10S, R21E, SLB&M, which bears North 41°10'47" East 1067.23 feet from the West Quarter Corner of said Section 21; thence North 12°29'48" East 93.77; thence South 77°30'12" East 375.00; thence South 12°29'48" West 295.00 feet; thence North 77°30'12" West 200.00 feet; thence North 54°18'18" West 190.39 feet; thence North 12°29'48" East 126.23 feet to the point of beginning. Basis of bearings is the West Line of the SW4 of said Section 21, which is assumed from G.L.O. information to bear North 0°14' West. Contains 2.389 acres more or less.

Corridor Right of Way Description:

A 60 foot wide right of way, 30 feet on each side of the following described centerline.

Beginning at a point in the NE4NE4 of Section 20, T10S, R21E, SLB&M, which bears South 32°19'17" West 783.17 feet from the Northeast Corner of said Section 20, thence South 52°58'09" East 62.67 feet; thence South 47°26'53" East 133.15 feet; thence South 39°05'04" East 435.71 feet to a point on the East Line of the NE4 of said Section 20, which bears South 00°12'25" East 1127.82 feet from the Northeast Corner of Section 20; thence South 39°05'04" East 18.98 feet; thence South 37°40'18" East 255.95 feet; thence South 30°45'17" East 267.11 feet; thence South 44°05'23" East 230.29 feet; thence South 63°27'43" East 272.47 feet to a point in the SW4NW4 of Section 21, T10S, R21E, SLB&M, which bears North 41°10'47" East 1067.23 feet from the West Quarter Corner of said Section 21. The side lines of said described right of way being shortened or elongated to meet the grantor's property lines. Basis of bearings is the West Line of the SW4 of said Section 21, which is assumed from G.L.O. information to bear North 0°14' West. Contains 2.309 acres more or less.

WELL PAD SITE - CIGE#277

Township 10 South, Range 21 East, SLB&M

Section 21:

Surface Use Area Description:

Beginning at a point in the NW4NW4 of Section 21, T10S, R21E, SLB&M, which bears South 66°17'50" East 1017.87 feet from the Northwest Corner of said Section 21; thence North 28°57'14" East 195.35 feet; thence South 60°58'08" East 200.25 feet; thence South 37°41'45" East 190.40 feet; thence South 28°56'54" West 219.74 feet; thence North 60°57'37" West 375.08 feet; thence North 28°57'14" East 99.57 feet to the point of beginning. Basis of bearings is the West Line of the SW4 of said Section 21, which is assumed from G.L.O. information to bear North 0°14' West. Contains 2.385 acres more or less.

Corridor Pipeline Right of Way Description:

A 60 foot wide right of way, 30 feet on each side of the following described centerline.

Beginning at a point in the NE4NE4 of Section 20, T10S, R21E, SLB&M, which bears South 66°08'56" West 416.62 feet from the Northeast Corner of said Section 20; thence South 81°14'57" East 92.13 feet; thence South 54°15'48" East 154.06 feet; thence South 59°47'16" East 163.05 feet; thence South 59°22'48" East 29.48 feet; to a point on the West Line of the NW4 of Section 21 which bears South 0°12'25" East 369.53 feet; thence South 59°22'48" East 115.34 feet; thence North 88°18'51" East 109.83 feet; thence North 77°28'45" East 302.79 feet; thence North 82°07'41" East 176.76 feet; thence South 79°20'04" East 132.66 feet; thence South 67°42'26" East 130.32 feet; to a point in the NW4NW4 of said Section 21, T10S, R21E, SLB&M, which bears South 66°17'50" East 1017.87 feet from the Northwest Corner of said Section 21. The side lines of said described right of way being shortened or elongated to meet the grantor's property lines. Basis of bearings is the West Line of the SW4 of said Section 21, which is assumed from G.L.O. information to bear North 0°14' West. Contains 1.937 acres more or less.

WELL PAD SITE - NBU #398

Township 10 South, Range 21 East, SLB&M
Section 18:

Surface Use Area Description:

Beginning at a point in the NE4NW4 of Section 18, T10s, R21e, SLB&M, which bears South 59°58'30" West 1118.91 feet from the North Quarter Corner of said Section 18, thence North 56°54'04" East 250.17 feet; thence South 33°02'35" East 200.42 feet; thence South 09°46'56" East 190.35 feet; thence South 56°59'33" West 91.83 feet; thence South 56°59'33" West 128.16 feet; thence North 33°03'21" West 374.87 feet; thence North 56°54'04" East 45.07 feet to the point of beginning. Basis of bearings is the North Line of the NW4 of said Section 18, which is assumed from G.L.O. information to bear North 88°31' West. Contains 2.391 acres more or less.

Road Right of Way Description:

A 30 foot wide right of way, 15 feet on each side of the following described centerline.

Beginning at a point in the NE4NW4 of Section 18, T10S, R21E, SLB&M, which bears South 80°48'57" West 1141.90 feet from the North Quarter Corner of said Section 18; thence South 22°23'56" East 177.17 feet; thence South 23°03'09" East 232.37 feet to a point in the NE4NW4 of said Section 18 which bears South 59°58'30" West 1118.91 feet from the North Quarter Corner of said Section 18. The side lines of said described right-of-way being shortened or elongated to meet the grantor's property lines. Basis of bearings is the North Line of the NW4 of said Section 18, which is assumed from G.L.O. information to bear North 88°31' West. Contains 0.282 acres more or less.

Pipeline Right of Way Description:

A 30 foot wide right of way, 15 feet on each side of the following described centerline.

Beginning at a point in the NE4NW4 of Section 18, T10S, R21E, SLB&M, which bears South 39°57'43" West 1081.41 feet from the North Quarter Corner of said Section 18; thence South 20°28'39" East 179.44 feet; thence South 85°40'34" East 214.13 feet; thence North 89°07'24" East 218.93 feet; thence South 89°15'10" East 853.62 feet; thence South 88°54'49" East 311.89 feet to a point in the NW4NE4 of said Section 18 which bears South 43°15'09" East 1409.79 feet from the North Quarter Corner of said Section 18. The side lines of said described right of way being shortened or elongated to meet the grantor's property lines. Basis of bearings is the North Line of the NW4 of said Section 18, which is assumed from G.L.O. information to bear North 88°31' West. Contains 1.225 acres more or less.

WELL PAD SITE - NBU #419

Township 10 South, Range 21 East, SLB&M

Section 21:

Surface Use Area Description:

Beginning at a point in the NW4NE4 of Section 21, T10S, R21E, SLB&M, which bears South 77°59'25" East 912.58 feet from the North Quarter Corner of said Section 21; thence South 87°09'07" East 90.45 feet; thence South 02°54'18" West 375.80 feet; thence North 86°52'28" West 150.49 feet; thence North 86°52'28" West 144.32 feet; thence North 02°48'27" East 199.49 feet; thence North 26°03'21" East 190.28 feet; thence South 87°09'07" East 129.89 feet to the point of beginning. Basis of bearings is the West Line of the SW4 of said Section 21 which is assumed from G.L.O. information to bear North 0°14' West. Contains 2.390 acres more or less.

Road Right of Way Description:

A 30 foot wide right of way, 15 feet on each side of the following described centerline.

Beginning at a point in the NW4NE4 of Section 21, T10S, R21E, SLB&M, which bears South 77°59'25" East 912.58 feet from the North Quarter Corner of said Section 21; thence South 05°21'09" East 29.37 feet to a point in the NW4NE4 of said Section 21 which Bears South

76°14'52" East 921.76 feet from the North Corner of Section 21. The side lines of said described right of way being shortened or elongated to meet the grantor's property lines. Basis of bearings is the West Line of the SW4 of said Section 21, which is assumed from G.L.O. information to bear North 0°14' West. Contains 0.020 acres more or less.

Pipeline Right of Way Description:

A 30 foot wide right of way, 15 feet on each side of the following described centerline.

Beginning at a point in the NW4NE4 of Section 21, T10S, R21E, SLB&M, which bears South 54°06'36" East 1007.67 feet from the North Quarter Corner of said Section 21; thence South 00°59'35" West 33.41 feet; thence South 71°40'27" East 268.03 feet; thence South 79°46'55" East 370.31 feet to a point in the NE4NE4 of said Section 21 which bears South 61°39'00" East 1630.17 feet from the North Quarter Corner of said Section 21. The side lines of said described right of way being shortened or elongated to meet the grantor's property lines. Basis of bearings is the West Line of the SW4 of said Section 21, which is assumed from G.L.O. information to bear North 0°14' West. Contains 0.463 acres more or less.

WELL PAD SITE - NBU #420

Township 10 South, Range 21 East, SLB&M
Section 20:

Surface Use Area Description:

Beginning at a point in the SE4SE4 of Section 20, T10S, R21E, SLB&M, which bears North 46°33'49" West 365.44 feet from the Southeast Corner of said Section 20; thence South 25°57'18" West 148.53 feet; thence North 64°02'42" West 200.00 feet; thence North 40°50'47" West 190.39 feet; thence North 25°57'18" East 220.00 feet; thence South 64°02'42" East 375.00 feet; thence South 25°57'18" West 146.47 feet to the point of beginning. Basis of bearings is the East Line of the SE4 of said Section 20, which is assumed from G.L.O. information to bear North 0°14' East. Contains 2.389 acres more or less.

Corridor Pipeline Right of Way Description:

A 60 foot wide right of way, 30 feet on each side of the following described centerline.

Beginning at a point on the South Line of the SE4 of Section 20, T10S, R21E, SLB&M, which bears South 89°54'00" West from the Southeast Corner of said Section 18, thence North 24°49'40" West 282.09 feet to a point in the SE4SE4 of said Section 20 which bears North 46°33'49" West 365.44 feet from the Southeast Corner of said Section 20. The side lines of said described right of way being shortened or elongated to meet the grantor's property lines. Basis of bearings is the East Line of the SE4 of said Section 20, which is assumed from G.L.O. information to bear North 0°14' East. Contains 0.389 acres more or less.

WELL PAD SITE - NBU #421
Township 10 South, Range 21 East, SLB&M
Section 20:

Surface Use Area Description:

Beginning at a point in the NE4SE4 of Section 20, T10S, R21E, SLB&M, which bears South 47°35'11" West 1142.76 feet from the East Quarter Corner of said Section 20; thence North 34°47'56" West 135.09 feet; thence North 55°12'04" East 200.00 feet; thence North 69°37'19" East 180.69 feet; thence South 34°47'56" East 220.00 feet; thence South 55°12'04" West 375.00 feet; thence North 34°47'56" West 129.91 feet to the point of beginning. Basis of bearings is the East Line of the SE4 of said Section 20, which is assumed from G.L.O. information to bear North 0°14' East. Contains 2.191 acres more or less.

Corridor pipeline right of way description

A 60 foot wide right of way, 30 feet on each side of the following described centerline.

Beginning at a point in the SE4SE4 of Section 20, T10S, R21E, SLB&M, which bears North 53°28'39" West 738.05 feet from the Southeast Corner of said Section 20, thence North 46°12'24" West 114.29 feet; thence North 49°10'03" West 160.45 feet; thence North 43°48'44" West 176.02 feet; thence North 38°43'07" West 234.62 feet; thence North 17°33'02" West 295.11 feet; thence North 07°20'26" West 258.64 feet; thence North 22°22'40" East 265.03 feet; thence North 50°34'08" East 165.94 feet; thence North 54°49'23" East 127.29 feet to a point in the NE4SE4 of said Section 20 which bears South 47°35'11" West 1142.76 feet from the East Quarter Corner of said Section 20. The side lines of said described right of way being shortened or elongated to meet the grantor's property lines. Basis of bearings is the East Line of the SE4 of said Section 20, which is assumed from G.L.O. information to bear North 0°14' East. Contains 2.476 acres more or less.

TO HAVE AND TO HOLD for a term of 51 Years, effective November 1, 2002, and expiring October 31, 2053, subject to any and all existing valid rights in Subject Property and subject also to the following terms and conditions. LESSOR and LESSEE enter into this Special Use Lease Agreement (the "Lease") for the purpose that LESSEE develop Subject Property in the manner hereinafter described and consistent with the principles and objectives of land development expressed and implicit in the Enabling Act of Utah (Act of July 16, 1894, Ch. 138, 28 Stat. 107) and Article X of the Constitution of the State of Utah. The LESSEE takes this Lease subject to the continued regulation of the LESSOR pursuant to the rules of the LESSOR as they may be adopted hereafter.

1. Purpose. The Subject Property shall be used by LESSEE in connection with the exploration and development of the oil and gas estate underlying the Subject Property, pursuant to LESSEE's Bureau of Land Management leases, identified as U-02278 and U-02270-A, (the "Oil and Gas Leases"). Specifically, the LESSEE shall be permitted to construct, maintain and operate seven well pad sites, access roads and surface pipeline lateral sales connection lines on

the locations described above. All improvements constructed on the Subject Property shall comply with the applicable provisions of the Uniform Building Code, current edition, and the International Conference of Building Officials.

2. Rent.

LESSEE shall make one rental payment to cover the entire term of the Lease, which shall be due prior to the commencement of the Lease. The rental payment shall be calculated at the rate of \$1,000.00 per acre plus fees. LESSOR acknowledges receipt of \$28,174.00, which satisfies the rental payment, and includes a \$250.00 application fee, a \$700.00 Lease processing charge, and a \$424.00 advertising fee.

LESSEE shall not be entitled to a refund of any portion of this payment in the event this Lease is terminated prior to the expiration date, in whole or in part for any reason, other than a condemnation action as set forth in paragraph 18. LESSEE shall also not be entitled to a refund of any portion of this payment in the event LESSOR acquires the underlying oil and gas estate or the Oil and Gas Leases.

3. Expiration or Termination of Oil and Gas Leases.

In the event any portion of LESSEE's Oil and Gas Leases expires or terminates, LESSEE shall perform reclamation on any related portions of the Subject Property, as directed by LESSOR. The reclamation shall be completed the earlier of one year after the expiration or termination of the Oil and Gas Lease or upon the expiration or termination of this Lease. At its option, LESSOR may cancel any related portions of this Lease.

4. Due Diligence. LESSEE agrees that if, at the end of a five-year period, LESSEE has not substantially completed the improvements to be made to the Subject Property, as specified in Paragraph 1 above, LESSOR shall thereafter have the right to terminate the Lease by giving written notice thereof to LESSEE. Such termination shall be effective thirty (30) days after the giving of such notice. LESSOR shall have the right, in lieu of such termination, to grant extensions in writing to such due diligence requirement, as LESSOR deems advisable in its sole discretion.

5. Compliance. LESSEE, in exercising the privileges granted by the Lease, shall comply with the provisions of all valid Federal, State, County, and Municipal laws, ordinances, and regulations which are applicable to the Subject Property and operations covered by the Lease.

6. Survey Monuments. LESSEE shall take reasonable precautions to protect, in place, all public land survey monuments and private property corners.

7. Access. LESSEE agrees to permit LESSOR free and unrestricted access to and upon the Subject Property at all reasonable times for all lawful and proper purposes not inconsistent with the

intent of the Lease or with the reasonable exercise and enjoyment by the LESSEE of the rights and privileges granted herein.

8. Antiquities. It is hereby understood and agreed that all treasure-trove and all articles of antiquity in or upon the Subject Property are and shall remain the property of the LESSOR. LESSEE shall report any discovery of a "site" or "specimen" to LESSOR and the Division of State History in compliance with the provisions of Section 9-8-305, Utah Code Annotated (1953), as amended and take such action as may be required for the protection of said site or specimen.

9. Default. In the event of a default or breach by LESSEE and LESSEE's failure to cure such default or breach, LESSOR may at any time and with or without notice do any one or more of the following:

a. Re-enter the Subject Property, remove all persons and property, and repossess and enjoy such Subject Property.

b. Terminate the Lease and LESSEE's right of possession of the Subject Property. Such termination shall be effective upon LESSOR's giving written notice and upon receipt of such notice LESSEE shall immediately surrender possession of the Subject Property to LESSOR. Upon such termination, all improvements on the Subject Property shall, at LESSOR's discretion, be forfeited and become the property of the LESSOR subject only to any previously approved waiver of interest or security interest.

c. Maintain the Lease in full force and effect and recover any rental, royalty, or other consideration as it becomes due without terminating LESSEE's right of possession regardless of whether LESSEE shall have abandoned the Subject Property.

d. The LESSOR may seek damages for any and all violations or defaults with or without canceling the Lease. In the event LESSOR deems the breach or default to constitute a threat to safety, life, or property it may elect to intervene immediately, without notice, to remedy the breach or default and LESSEE hereby agrees to repay LESSOR for all costs in remedying the breach or default upon demand, together with interest thereon from the date of expenditure at the rate set forth in the Lease. Alternatively, LESSOR may require LESSEE itself to act immediately to remedy the breach or default, should LESSOR deem it a threat to safety, life, or property.

e. Exercise any other right or remedy which LESSOR may have at law or equity.

10. Survival. LESSEE agrees that all obligations of LESSEE to be performed prior to the expiration or earlier termination shall not cease upon the termination or expiration of the Lease, and shall continue as obligations until fully performed. All clauses of the Lease which require performance beyond the termination or expiration date shall survive the termination or expiration date of

the Lease. However, upon expiration or earlier termination of the Lease, the rights of LESSEE and of all persons, firms, corporations, and entities claiming under LESSEE in and to the Subject Property and all improvements hereon, unless specified otherwise in the Lease, shall cease.

11. Lessor's Right to Cure Defaults. If LESSEE fails to perform and is in default of any undertaking or promise contained herein, including those set forth in any plan of development, the LESSOR shall have the option, but is not obligated, to make such performance after giving 10 days written notice to the LESSEE. The LESSOR's costs and expense to correct LESSEE's failure to perform shall be reimbursed by LESSEE and shall be immediately due and payable, together with interest accruing from the date such cost or expense is incurred.

12. Remedies Cumulative. The specified remedies to which the LESSOR may resort under the terms of the Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which LESSOR may lawfully be entitled in case of any breach or threatened breach by LESSEE of any provision of the Lease.

13. Force Majeure. The LESSEE's failure to comply with any of the obligations under the Lease shall be excused only if due to causes beyond LESSEE's control and without the fault or negligence of the LESSEE, including acts of God, acts of the public enemy, acts of any government, fires, floods, epidemics and strikes. LESSEE's obligation to pay rentals will not be suspended by any event of force majeure.

14. Bond. LESSEE agrees to furnish LESSOR a performance and reclamation bond in such type and amount and by such date as LESSOR may request. Further, it is expressly agreed that LESSOR may at any time, upon 30 days notice by certified mail, require LESSEE to furnish LESSOR such additional performance and reclamation bond as LESSOR may deem to be in the best interest of LESSOR.

15. Improvements upon Expiration. Subject to Paragraph 39, upon the expiration of the Lease, LESSEE shall have the right to remove from the Subject Property all personal property and fixtures. All physical improvements attached to the Subject Property shall become the property of LESSOR upon such expiration; provided that by written notice, LESSOR may require LESSEE to remove any such improvements upon expiration at LESSEE's sole cost and expense, in which event LESSEE shall cause such improvements to be removed and the Subject Property restored within sixty (60) days of the giving of such notice.

16. Indemnity. LESSEE agrees to protect, indemnify and save harmless the LESSOR, its agents and employees, from and against all claims, demands, damages, and causes of action of every kind or character on account of bodily injuries, death, or damage to property arising because of, for, out of, or in any way connected with the performance of this agreement, except where such injury,

death, or damage has resulted from the sole negligence of the LESSOR, without negligence or willful act on the part of the LESSEE, its agents, employees, or subcontractors, it being the intent of this provision that the LESSEE indemnify the LESSOR and its agents and employees regardless of whether or not such injury, death, or damage is caused in part by the LESSOR, its agents and employees. LESSEE shall defend all suits brought upon such claims and pay all costs and expenses incidental thereto, but the LESSOR shall have the right, at its option, to participate in the defense of any such suit without relieving the LESSEE of any obligation hereunder.

17. Insurance.

a. Casualty Insurance. Throughout the entire term, LESSEE, at its sole cost and expense, shall cause the Subject Property, improvements, and equipment to be insured against fire, windstorm, or other casualty or hazard with extended coverage in such amounts and with such deductibles as may reasonably be required. This insurance coverage shall not be less than the estimated replacement cost of the improvements.

b. Bodily Injury, Property Damage and Other Insurance. In addition to the insurance required in a. above, LESSEE, at its sole cost and expense, shall purchase and maintain during the entire term the following insurance, subject to the terms and conditions set forth in c. below:

(i) Commercial general liability bodily injury and property damage liability insurance against claims for bodily injury, death, or property damage, occurring in, on, or about the Subject Property (including any injury, death, or property damage arising from a hazardous activity permitted under the Lease), such insurance to afford minimum protection during the entire term of not less than Two Million Dollars (\$2,000,000.00) in respect of bodily injury or death to any one person or in respect of any one accident, or property damage, or Four Million Dollars (\$4,000,000.00) in the aggregate, the foregoing dollar amounts being subject to increase by the percentage increase in the CPI not more frequently than every five (5) lease years, provided that LESSEE shall not carry less than the amount or scope of coverage customary in the industry from time to time; and,

(ii) During any period of building construction, including the construction of the initial improvements, and all alterations and restorations:

(a) Builder's Risk Insurance written on the Completed Value Form or on the Monthly Reporting form;

(b) Worker's compensation insurance covering all persons employed in connection with the work and with respect to whom death or bodily injury claims could be asserted against LESSOR, LESSEE, or the Subject Property; and

c. Conditions and Requirements of Insurance. All insurance required by this Article and any additional insurance maintained by LESSEE with respect to the Subject Property and improvements shall:

(i) Name LESSOR, State, its agencies and employees as loss payee or additional insured as its interest may appear;

(ii) Be effected under valid and enforceable policies issued by insurers of recognized responsibility that are licensed to do business in the State of Utah, with a Best's Rating of A-VII or better, including acceptable insurance pools or risk management arrangements which may generally provide such insurance coverage in the industry from time to time;

(iii) Expressly waive any right of subrogation against LESSOR and have attached thereto an endorsement that such policy shall not be canceled without at least (30) days' prior written notice to LESSOR; and;

(iv) Provide that the insurance coverage for the State and the LESSOR is primary and not contributing; that other insurance of the State and the LESSOR is excess over the insurance required by the Lease; and, the amount of the insurance company's liability or coverage limits required by the Lease shall not be reduced by the existence of other State and LESSOR.

d. Copies of Policies to Lessor. Upon the commencement date, and thereafter not less than thirty (30) days prior to the expiration dates of the policies furnished pursuant to this Article, LESSEE shall deliver to LESSOR policy copies of certificates thereof, in the case of bodily injury and property damage liability insurance, bearing notations evidencing the payment of premiums or accompanied by other evidence of such payment.

e. Adjustments. LESSOR and each mortgagee shall have the right to participate in the adjustment of any insurance claim filed by LESSEE relating to any insurance required by this Article to the extent necessary to protect their respective interests in the Subject Property and the improvements.

18. Condemnation.

a. Total taking.

(i) Termination and distribution. If at any time during the term of the Lease, the whole or the Subject Property is taken by condemnation or other act of eminent domain (a "Taking" or "Taken"):

(a) the Lease shall terminate and expire on the date of such Taking and LESSEE shall pay within thirty (30) days after the date of Taking all lease rentals accrued to the date of Taking;

(b) LESSEE shall comply with all of its other obligations under the Lease up to the date of Taking; and

(c) LESSEE's share of any condemnation award shall be disbursed to LESSEE.

b. Partial taking.

(i) Continuation of the Lease. If at any time during the term of the Lease title to less than the whole of the Subject Property has been Taken, LESSEE shall have the right but not the obligation to continue the Lease. LESSEE may, within thirty (30) days after receiving its share of the condemnation award, give notice of its election to terminate the Lease, provided that each mortgagee consents in writing to such termination.

(ii) Proceedings. LESSOR, LESSEE, and any mortgagee shall have the right to participate in respect of their respective interests in any proceeding of purchase negotiations relating to any Taking. In case of any Taking, LESSEE shall bear its proportionate share of all reasonable costs and fees, including reasonable counsel fees and expenses incurred in the determination and collection on any condemnation award. LESSOR shall bear only such costs, expenses, and fees as it may authorize in writing.

19. Assignment and Sublease. LESSEE shall not assign the Lease, in whole or in part, nor sublease the Subject Property, nor allow unauthorized or commercial use of the Subject Property without obtaining the prior written consent of LESSOR.

a. In granting such approval, LESSOR reserves the right to change the terms and conditions of the Lease as it may affect the sublessee/assignee. The LESSOR shall be entitled to consider, among other items, the proposed sublessee's/assignee's financial condition, managerial capability, business reputation, nature of the proposed sublessee's/assignee's business, the then current fair market rental value of the Subject Property, and such other factors as may reasonably bear upon the suitability of the sublessee/assignee or transferee as a tenant of the Subject Property or the holder of the Lease.

b. Approval may also be conditioned on, among other items, additional payment to reimburse the LESSOR for any additional costs of management or losses of payments resulting from the assignment.

c. Consent of the LESSOR to an assignment or transfer shall not constitute a waiver of the LESSOR's right to approve subsequent assignments or transfers. The acceptance by LESSOR of payment or performance following an assignment or transfer shall not constitute consent to any assignment or transfer, and LESSOR's consent shall be evidenced only in writing.

d. An assignment does not constitute a new lease but is continuation of the existing Lease.

20. Title. LESSOR claims title in fee simple, but does not warrant to LESSEE the validity of title to the Subject Property. LESSEE shall have no claim from damages or refund against the LESSOR for any claimed failure or deficiency of LESSOR's title to said Subject Property or for interference by any third party. LESSEE takes possession subject to all existing encumbrances, rights-of-way, or encroachments as may exist or be of record. Possession is subject to a reservation of rights-of-way as may be necessary to access other trust lands.

21. Water Rights. If LESSEE shall initiate or establish any water right on the Subject Property, such right shall become an appurtenance of the Subject Property. LESSEE agrees that any existing application to appropriate water on said trust land shall be transferred to the LESSOR after the application has been completed, without any cost to the LESSOR. It is expressly understood and agreed that the Lease does not confer any rights upon LESSEE to use any water presently developed on the Subject Property.

22. Fire. LESSEE shall at all times observe reasonable precautions to prevent fire on the Subject Property and shall comply with all applicable laws and regulations of any governmental agency having jurisdiction. In the event of a fire on the Subject Property proximately caused by LESSEE, its servants, employees, agents, sublessees, assignees or licensees which necessitates suppression action, LESSEE agrees to reimburse LESSOR for the costs incurred by LESSOR for such fire suppression action.

23. Fencing. LESSEE may fence the Subject Property at his own expense, but if there is no fence erected, LESSEE shall have no right of action against any other LESSOR grazing permittee by reason of a trespass upon the Subject Property. The right of LESSEE to fence the Subject Property shall be subject to the LESSOR's rights of access across trust lands to other trust lands.

24. Waste. LESSEE shall neither commit nor permit any waste on the said Subject Property. LESSEE shall maintain said Subject Property in good condition and at its own expense, free from any nuisance. Surface and subsurface areas will be cleaned of all trash, debris, and waste of any kind to the satisfaction of the LESSOR. LESSEE shall maintain the Subject Property to standards of repair, orderliness, neatness, sanitation, and safety as required by law and applicable regulations.

25. Pollution. LESSEE shall be bound by all of the environmental regulatory programs, including air quality, water pollution and water quality, solid and hazardous waste management and underground storage tanks, and other conditions as contained in the provisions, conditions, and rules and regulations developed under authority of Title 19, Utah Code Annotated (1953) as amended.

26. Hazardous, Toxic, or Harmful Substances.

a. LESSEE shall not make, or suffer to be made, any filling in of the Subject Property or any deposit of rock, earth, ballast, refuse, garbage, waste matter, chemical, biological or other wastes, hydrocarbons, any other pollutants, or other matter within or upon the Subject Property, except as approved in writing by the LESSOR. If the LESSEE fails to remove all non-approved fill material, refuse, garbage, wastes or any other of the above materials from the Subject Property, the LESSEE agrees that the LESSOR may, but is not obligated to, remove such materials and charge the LESSEE for the cost of removal and disposal.

b. LESSEE shall not keep on or about the Subject Property any substances now or hereinafter designated as or containing components now or hereinafter designated as hazardous, toxic, dangerous, or harmful, and/or which are subject to regulation as hazardous, toxic, dangerous, or harmful by any federal, state or local law, regulation, statute or ordinance (hereinafter collectively referred to as "Hazardous Substances") unless such are necessary to carry out LESSEE's permitted use under paragraph 1 and unless LESSEE fully complies with all federal, state and local laws, regulations, statutes, and ordinances, now in existence or as subsequently enacted or amended. LESSEE shall provide LESSOR with copies of any reports regarding the identity of Hazardous Substances used or stored on the Subject Property required by federal, state, or local agencies.

c. LESSEE shall:

(1) Immediately notify the LESSOR of (i) all spills or releases of any Hazardous Substance affecting the Subject Property, (ii) all failures to comply with any federal, state or local law, regulation or ordinance, as now enacted or as subsequently enacted or amended, (iii) all inspections of the Subject Property by, or any correspondence, orders, citations, or notifications from any regulatory entity concerning Hazardous Substances affecting the Subject Property, (iv) all regulatory orders or fines or all response or interim cleanup actions taken by or proposed to be taken by any government entity or private party concerning the Subject Property; and

(2) On request, provide copies to the LESSOR of any and all correspondence, pleadings, and/or reports received by or required of LESSEE or issued or written by LESSEE or on LESSEE's behalf with respect to the use, presence, transportation or generation of Hazardous Substances related to the Subject Property.

d. LESSEE shall be fully and completely liable to the LESSOR, and shall indemnify, defend, and save harmless LESSOR and its agencies, employees, officers, and agents with respect to any and all damages, costs, fees (including attorneys' fees and costs), penalties (civil and criminal), and cleanup costs assessed against or imposed as a result of LESSEE's use, disposal, transportation, generation

and/or sale or Hazardous Substances or that of LESSEE's employees, agents, assigns, sublessees, contractors, subcontractors, licensees or invitees, and for any breach of this subsection.

27. No Partnership. The LESSOR is not a partner nor a joint venturer with the LESSEE in connection with the activities conducted and business carried on under the Lease and the LESSOR shall have no obligation with respect to the LESSEE's debts or other liabilities.

28. Time of Essence. Time is expressly declared to be of the essence of the Lease and each and every covenant of LESSEE hereunder.

29. Amendments. Any amendments, revisions, supplements, or additions to the Lease or the attached exhibits shall be made in writing executed by the parties hereto, and neither LESSOR nor LESSEE shall be bound by verbal or implied agreements.

30. Entire Agreement. This written Lease or its successor or replacement contains the entire agreement of the parties hereto with respect to the matters covered hereby, and no other agreement, statement or promise made by any party hereto, or to any employee, officer or agent of any party hereto, which is not contained herein, shall be binding or valid.

31. Invalidity. If any term or provision of the Lease or the application thereof to any person or circumstance shall to any extent prove to be invalid, unenforceable, void, or illegal, the remainder of the Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be not affected thereby, and each term and provision of the Lease shall be valid and be enforced as written to the fullest extent permitted by law.

32. Consent to Suit. The LESSEE consents to suit in the courts of the LESSOR in any dispute arising under the terms of the Lease or as a result of operations carried on under the Lease. Service of process in any such action is hereby agreed to be sufficient if sent by certified mail to the LESSEE at the last known address of LESSEE appearing on the LESSOR's records.

33. Venue. The LESSEE agrees for itself, its heirs, successors and assigns that any suit brought by the LESSEE, its heirs, successor or assigns concerning the Lease may be maintained only in the Utah State District Court of Salt Lake County.

34. No Waiver of Conditions. Waiver by the LESSOR of any default of the LESSEE or failure of the LESSOR to timely enforce any provisions of the Lease shall not constitute a waiver of or constitute a bar to subsequent enforcement of the same or other provisions of the Lease. No provision in the Lease shall be construed to prevent the LESSOR from exercising any legal or equitable remedy it may otherwise have.

35. Inspection of Books. LESSEE shall permit any authorized representative of the LESSOR to examine all books and records pertaining to its operations and royalties payable to LESSOR under the Lease at their regular place of business with reasonable notice, and to make copies of and extracts from such books and records if desired.

36. Right to Audit. The LESSOR has the right to audit the LESSEE's performance of the terms and conditions of the Lease. Nevertheless, it is the continuing duty of the LESSEE to faithfully perform all of the terms, conditions, and obligations of the Lease, including, but not limited to, the duty to properly calculate and render to the LESSOR any and all amounts due. Any term, condition, provision, or obligation subject to change or interpretation shall be deemed self-executing, and shall in no way shift or relieve the LESSEE of its continuing duties and obligations.

37. Attorney's Fees. In the event the LESSOR shall prevail in any action or suit for the enforcement of any provision of the Lease or concerning the Lease in any manner, the LESSEE shall pay to the LESSOR a reasonable attorney's fee on account thereof.

38. Lessor's Lien. LESSOR shall have at all times a valid lien for all rentals and other sums of money becoming due hereunder from LESSEE, upon all goods, wares, equipment, fixtures, furniture and other personal property of LESSEE situated on the Subject Property, and such property shall not be removed therefrom without the consent of the LESSOR until all arrearage in rent as well as any and all other sums of money then due to LESSOR hereunder shall first have been paid and discharged. Upon the occurrence of any event of default by LESSEE, LESSOR may, in addition to any other remedies provided herein or by law, enter upon the Subject Property and take possession of any and all goods, wares, equipment, fixtures, furniture and other personal property of LESSEE situated on the Subject Property without liability for trespass or conversion, and sell the same with or without notice at public or private sale, with or without having such property at the sale, at which LESSOR or its assigns may purchase, and apply the proceeds thereof less any and all expenses connected with the taking of possession and sale of the property, as a credit against any sums due by LESSEE to LESSOR. Any surplus shall be paid to LESSEE and LESSEE agrees to pay any deficiency forthwith. Alternatively, the lien hereby granted may be foreclosed in the manner and form provided by law for foreclosure of security interest or in any other form provided by law. The statutory lien for rent is not hereby waived, the express contractual lien herein granted being in addition and supplementary thereto. Anything herein to the contrary notwithstanding, purchase money financing of LESSEE's removable trade fixtures and equipment shall not be a default. LESSEE will execute upon LESSOR's request a financing statement and security agreement evidencing LESSOR's security interest in LESSEE's personal property and warrants to LESSOR that there are no prior liens or security interest on said personal properties.

39. Notice. Any notice contemplated herein to be served upon LESSEE shall be in writing and shall be deemed sufficient if deposited in the United States mail, postage prepaid and certified or registered, and addressed as follows:

EL PASO PRODUCTION OIL & GAS COMPANY
9 Greenway Plaza
Houston, Texas 77046

or at any such other address as LESSEE may from time to time designate by written notice to LESSOR.

40. Responsibilities of Successors. The provisions hereof shall inure to and be binding upon the successors and assigns of LESSEE.

IN WITNESS WHEREOF, the State of Utah, by and through the School and Institutional Trust Lands Administration, has caused these presents to be executed this 17 day of December 2002 by the Director.

LESSOR:

STATE OF UTAH
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818

By: [Signature]
STEPHEN G. BOYDEN, DIRECTOR

LESSEE:

EL PASO PRODUCTION OIL & GAS
COMPANY
9 Greenway Plaza
Houston, Texas 77046

By: [Signature]
Jon R. Nelsen
Its: Attorney in Fact

APPROVED AS TO FORM:
MARK L. SHURTLEFF
ATTORNEY GENERAL

BY: [Signature]
Special Assistant Attorney General

Date: 12/17/2002

Director Review [Signature]

STATE OF UTAH)
 : §
COUNTY OF SALT LAKE)

On the _____ day of _____, 2002, personally appeared before me Stephen G. Boyden, who being by me duly sworn did say that he is the Director of the School and Institutional Trust Lands Administration, and the signer of the above instrument, who duly acknowledged that he executed the same.

Given under my hand and seal this _____ day of _____, 2002.

My commission expires:

Notary Public

STATE OF)
 : §
COUNTY OF)

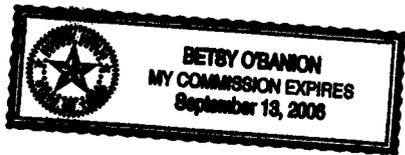
On the 17 day of December, 2002, personally appeared before me Jon R. Nelsen, who being by me duly sworn did say that (s)he is the Attorney in Fact of El Paso Production Oil and Gas Company and the authorized signer of the above instrument, who duly acknowledged that (s)he executed the same.

Given under my hand and seal this 17 day of December, 2002.

My commission expires:

Notary Public

Betsy O'Banion



STATE OF UTAH)

: ss.

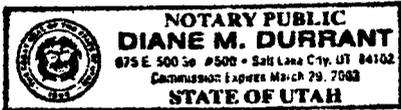
COUNTY OF SALT LAKE)

On the 31st day of December, 2002, personally appeared before me Kevin S. Carter, who being by me duly sworn did say that he is the Deputy Director of the School and Institutional Trust Lands Administration of the State of Utah, and the signer of the above instrument, who duly acknowledged that he executed the same.

Given under my hand and seal this 31st day of December, 2002.

My Commission expires:
March 29, 2003

Diane M. Durrant
Notary Public, residing at:
Salt Lake City, Utah



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 10/29/2001

API NO. ASSIGNED: 43-047-34366

WELL NAME: NBU 398

OPERATOR: EL PASO PROD OIL & GAS (N1845)

CONTACT: CHERYL CAMERON

PHONE NUMBER: 435-781-7023

PROPOSED LOCATION:

NENW 18 100S 210E
SURFACE: 0678 FNL 1867 FWL
BOTTOM: 0678 FNL 1867 FWL
UINTAH
NATURAL BUTTES (630)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-02270-A

SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. WY3438)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

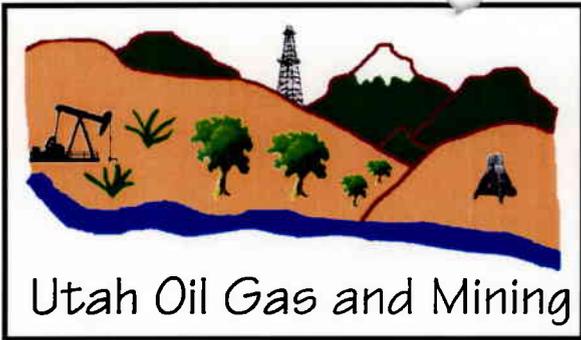
- R649-2-3. Unit NATURAL BUTTES
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: 173-14
Eff Date: 12-2-99
Siting: 460' fr Unit Boundary & Uncomm. Tract
- R649-3-11. Directional Drill

COMMENTS:

NBU Sol, separate file.
Need presite. (11-05-01)

STIPULATIONS:

- 1-Fed. Approval
- 2-oil shale
- 3-STATEMENT OF BASIS



OPERATOR: EL PASO PROD O&G (N1845)
 SEC. 18, T10S, R21E
 FIELD: NATURAL BUTTES (630)
 COUNTY: UINTAH UNIT: NATURAL BUTTES
 CAUSE: 173-14



ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: EL PASO PRODUCTION COMPANY
WELL NAME & NUMBER: NBU 398
API NUMBER: 43-047-34366
LEASE: U-02270-A **FIELD/UNIT:** NATURAL BUTTES
LOCATION: 1/4, 1/4 NE/NW SEC: 18 TWP: 10S RNG: 21E
1867' F W L 678' F N L
LEGAL WELL SITING: Board Spaced area requiring 460' Setback
from unit boundary or uncommitted tract.
GPS COORD (UTM): 12619782E 4423525N
SURFACE OWNER: STATE OF UTAH

PARTICIPANTS:

RON RYAN, CARROLL WILSON, CARROLL ESTES, (EL PASO): ROBERT KAY
U.E.L.S.): DAVID W. HACKFORD (DOGM):

REGIONAL/LOCAL SETTING & TOPOGRAPHY:

SITE IS 12.7 MILES SOUTHEAST OF OURAY, UTAH AND 1.0 MILES EAST
OF THE SEEP RIDGE ROAD IN AN AREA OF LOW ROLLING HILLS AND
SHALLOW DRAWS DRAINING TO THE NORTH TOWARD THE WHITE RIVER.

SURFACE USE PLAN:

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING.
HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WOULD BE 325' BY 245'
AND ACCESS ROAD WOULD BE 0.1 MILES.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE
ATTACHED MAP FROM GIS DATABASE

LOCATION OF PRODUCTION FACILITIES AND PIPELINES:
ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED
AFTER DRILLING WELL. PIPELINE WILL RUN DUE EAST 0.3 MILES
TO AN EXISTING PIPELINE.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL
WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WASTE MANAGEMENT PLAN:

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

ENVIRONMENTAL PARAMETERS:

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: NATIVE GRASSES, SALTBRUSH, PRICKLY PEAR, GREASE-WOOD, SHADSCALE: RODENTS, COYOTES, SONGBIRDS, RAPTORS, PRONGHORN.

SOIL TYPE AND CHARACTERISTICS: LIGHT GRAY SANDY CLAY.

EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION. SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION SHOULDN'T CAUSE ANY INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

RESERVE PIT:

CHARACTERISTICS: 100' BY 100' AND 10; DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A 12 MIL LINER WILL BE REQUIRED.

SURFACE RESTORATION/RECLAMATION PLAN:

AS PER S.I.T.L.A.

SURFACE AGREEMENT: AS PER S.I.T.L.A.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE WAS INSPECTED BY A.E.R.C. ARCHAEOLOGICAL CONSULTANTS. A REPORT OF THIS INVESTIGATION WILL BE PLACED ON FILE.

OTHER OBSERVATIONS/COMMENTS:

THE PRE-DRILL INVESTIGATION TOOK PLACE ON A COOL, CLEAR DAY.

ATTACHMENTS:

PHOTOS OF SITE WILL BE PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

11/5/01- 2:15 PM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and On-site Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	15	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>20</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	15	
TDS >10000 or Oil Base	20	
Mud Fluid containing high levels of hazardous constituents		<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility		
Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>
Final Score		<u>30</u>



**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

Operator Name: EL PASO PRODUCTION COMPANY
Well Name & Number: NBU 398
API Number: 43-047-34366
Location: 1/4,1/4 NE/NW Sec. 18 T. 10S R. 21E

Geology/Ground Water:

The proposed well is located on a BLM mineral lease. Surface casing and ground water concerns will be evaluated by the BLM.

Reviewer: Brad Hill
Date: 11/07/01

Surface:

The pre-drill investigation of the surface was performed on 11/05/2001. Surface owner is State of Utah. SITLA and DWR were notified of this investigation on 11/1/2001. Neither had a representative present. This site appears to be the best spot for a location in the immediate area. Minerals at this site are USA. Blasting will undoubtedly be necessary to construct reserve pit. This will cause the ground to fracture creating high permeability soil, thus a 12 mil liner will be required for the reserve pit.

Reviewer: David W. Hackford
Date: 11/06/2001

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

January 13, 2003

El Paso Production Oil & Gas Company
P O Box 1148
Vernal, UT 84078

Re: Natural Buttes Unit 398 Well, 678' FNL, 1867' FWL, NE NW, Sec. 18, T. 10 South,
R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-34366.

Sincerely,

John R. Baza
Associate Director

pb

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: El Paso Production Oil & Gas Company

Well Name & Number Natural Buttes Unit 398

API Number: 43-047-34366

Lease: U-02270-A

Location: NE NW Sec. 18 T. 10 South R. 21 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

5. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
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www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

January 13, 2003

El Paso Production Oil & Gas Company
P O Box 1148
Vernal, UT 84078

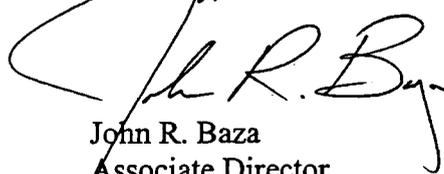
Re: Natural Buttes Unit 398 Well, 678' FNL, 1867' FWL, NE NW, Sec. 18, T. 10 South,
R. 21 East, Uintah County, Utah

Gentlemen:

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This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-34366.

Sincerely,



John R. Baza
Associate Director

pb

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: El Paso Production Oil & Gas Company
Well Name & Number Natural Buttes Unit 398
API Number: 43-047-34366
Lease: U-02270-A

Location: NE NW **Sec.** 18 **T.** 10 South **R.** 21 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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5. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		CONFIDENTIAL	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No. NATURAL BUTTES	
2. Name of Operator EL PASO PRODUCTION O&G COMPANY		8. Lease Name and Well No. NBU 398	
3a. Address P.O. BOX 1148 VERNAL, UT 84078		9. API Well No. 43-047-34366	
3b. Phone No. (include area code) Ph: 435.781.7023 Fx: 435.789.4436		10. Field and Pool, or Exploratory NATURAL BUTTES	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NENW 678FNL 1867FWL At proposed prod. zone		11. Sec., T., R., M., or Blk. and Survey or Area Sec 18 T10S R21E Mer UBM	
14. Distance in miles and direction from nearest town or post office* 12.7 MILES SOUTHEAST OF OURAY, UT		12. County or Parish UINTAH	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 678		13. State UT	
16. No. of Acres in Lease 2167.00		17. Spacing Unit dedicated to this well 2167.00	
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C		19. Proposed Depth 6800 MD	
20. BLM/BIA Bond No. on file BLM #WY3438		21. Elevations (Show whether DF, KB, RT, GL, etc.) 5083 GL	
22. Approximate date work will start		23. Estimated duration	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|--|--|
| <ul style="list-style-type: none"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | <ul style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification 6. Such other site specific information and/or plans as may be required by the authorized officer. |
|--|--|

25. Signature (Electronic Submission) 	Name (Printed/Typed) CHERYL CAMERON Ph: 435.781.7023	Date 10/25/2001
Title OPERATIONS		
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 01-13-03
Title ENVIRONMENTAL SCIENTIST III		

Federal Approval of this Action is necessary

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

RECEIVED

Electronic Submission #8246 verified by the BLM Well Information System
For EL PASO PRODUCTION O&G COMPANY, sent to the Vernal OCT 25 2001

DIVISION OF
OIL, GAS AND MINING

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

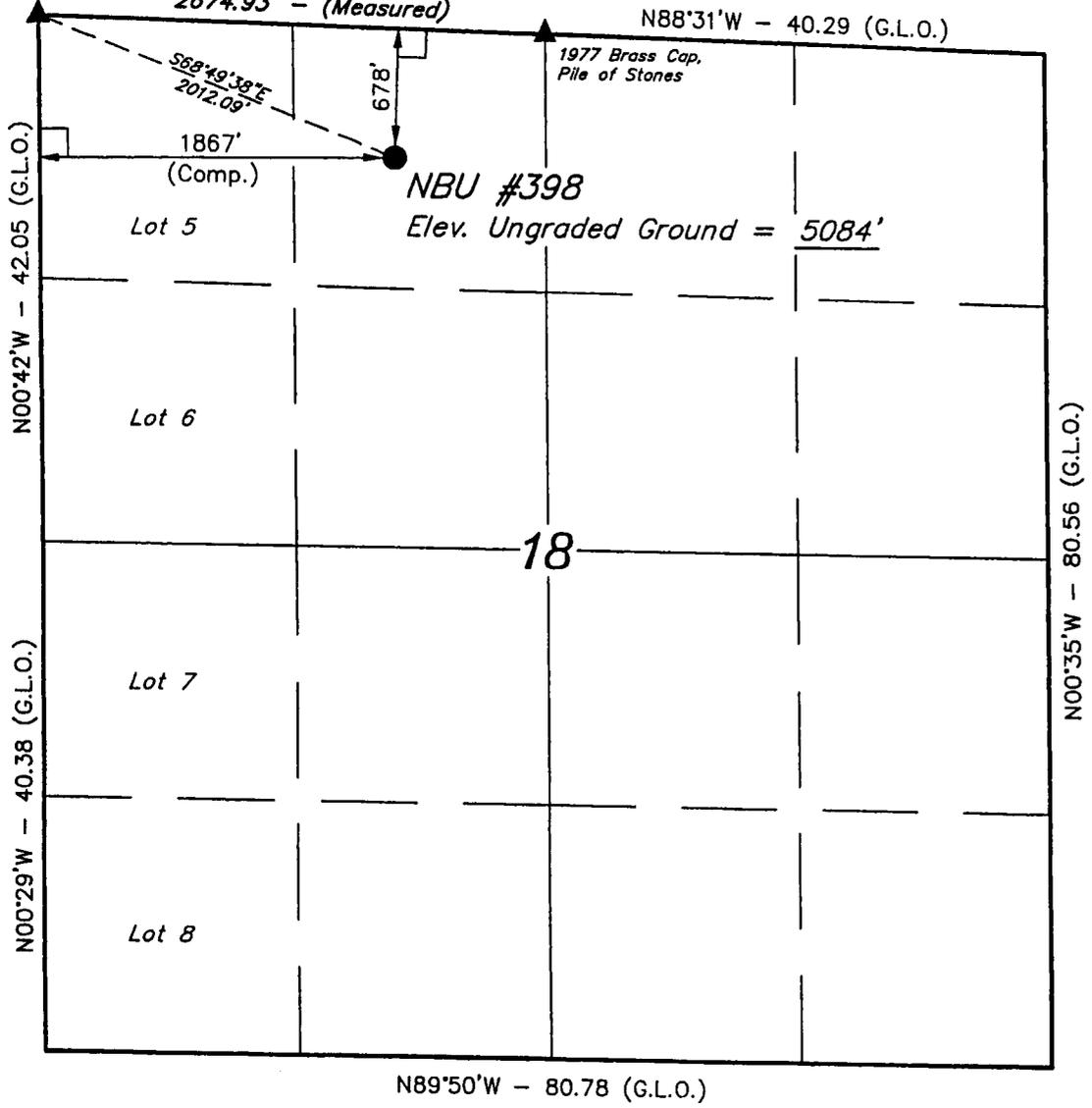
T10S, R21E, S.L.B.&M.

EL PASO PRODUCTION OIL & GAS COMPANY

Well location, NBU #398, located as shown in the NE 1/4 NW 1/4 of Section 18, T10S, R21E, S.L.B.&M. Uintah County, Utah.

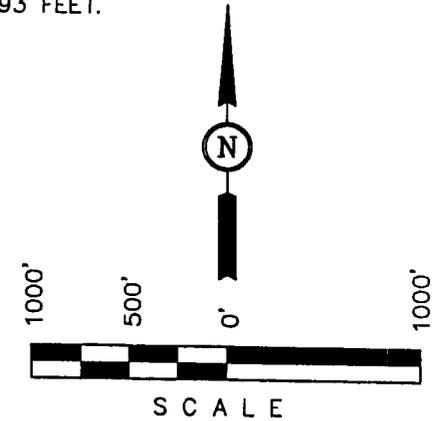
1928 Brass Cap,
1.2' High, Set
Stone, Scattered
Stones

1977 Brass Cap,
Pile of Stones



BASIS OF ELEVATION

SPOT ELEVATION ON A HILL TOP IN THE SE 1/4 OF SECTION 7, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5193 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

[Signature]
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 8-7-01	DATE DRAWN: 8-13-01
PARTY B.B. W.L. C.G.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE	EL PASO PRODUCTION PRODUCTION COMPANY

LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

LATITUDE = 39°57'13"
LONGITUDE = 109°35'50"

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

Operator Name: EL PASO PRODUCTION COMPANY
Well Name & Number: NBU 398
API Number: 43-047-34366
Location: 1/4,1/4 NE/NW Sec. 18 T. 10S R. 21E

Geology/Ground Water:

The proposed well is located on a BLM mineral lease. Surface casing and ground water concerns will be evaluated by the BLM.

Reviewer: Brad Hill
Date: 11/07/01

Surface:

The pre-drill investigation of the surface was performed on 11/05/2001. Surface owner is State of Utah. SITLA and DWR were notified of this investigation on 11/1/2001. Neither had a representative present. This site appears to be the best spot for a location in the immediate area. Minerals at this site are USA. Blasting will undoubtedly be necessary to construct reserve pit. This will cause the ground to fracture creating high permeability soil, thus a 12 mil liner will be required for the reserve pit.

Reviewer: David W. Hackford
Date: 11/06/2001

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

JAN. 17. 2003 3:34PM

TPORT

NO. 173 P. 2

**WESTPORT OIL AND GAS COMPANY, L.P.**

410 Seventeenth Street #2300 Denver Colorado 80202-4436
Telephone: 303 573 5404 Fax: 303 573 5609

February 1, 2002

Department of the Interior
Bureau of Land Management
2850 Youngfield Street
Lakewood, CO 80215-7093
Attention: Ms. Martha Maxwell

RE: BLM Bond CO-1203
BLM Nationwide Bond 158626364
Surety - Continental Casualty Company
Belco Energy Corporation merger into Westport Oil and Gas Company, Inc.
Conversion of Westport Oil and Gas Company, Inc., into Westport Oil and Gas Company, L.P.
Assumption Rider - Westport Oil and Gas Company, L.P.

Dear Ms. Maxwell:

Pursuant to our recent conversations, please find the following list of enclosures for the BLM's consideration and approval:

Two (2) Assumption Riders, fully executed originals.
Copies of Belco Energy Corporation merger into Westport Oil and Gas Company, Inc.
Copies of Westport Oil and Gas Company, Inc., conversion into Westport Oil and Gas Company, L.P.
List of all Federal/BIA/State Leases - Belco/Westport's leases - in all states.

Please inform us of any additional information needed to complete the change to Westport Oil and Gas Company, L.P., as operator of record.

I thank you for your assistance and cooperation in this matter. Please do not hesitate contacting the undersigned, should a question arise.

Sincerely,
Westport Oil and Gas Company, L.P.

Debby J. Black
Engineer Technician

Encl:



United States Department of the Interior **RECEIVED**

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

FEB 22 2002

DIVISION OF
OIL, GAS AND MINING

In Reply Refer To:
3106
UTU-25566 et al
(UT-924)

FEB 21 2002

NOTICE

Westport Oil and Gas Company L.P. : Oil and Gas
410 Seventeenth Street, #2300 :
Denver Colorado 80215-7093 :

Name Change Recognized

Acceptable evidence has been received in this office concerning the name change of Westport Oil and Gas Company, Inc. into Westport Oil and Gas Company, L.P. with Westport Oil and Gas Company, L.P. being the surviving entity.

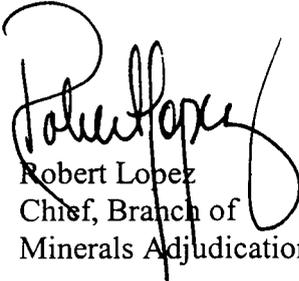
For our purposes, the name change is recognized effective December 31, 2001.

The oil and gas lease files identified have been noted as to the name change. The exhibit was compiled from a list of leases obtained from our computer program. We have not abstracted the lease files to determine if the entities affected by this name change hold an interest in the leases identified nor have we attempted to identify leases where the entities are the operator on the ground maintaining no vested recorded title or operating rights interests. We will be notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the change by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

If you identify additional leases in which the entities maintain an interest, please contact this office and we will appropriately document those files with a copy of this Notice.

Due to the name change, the name of the principal/obligor on the bond is required to be changed from Westport Oil and Gas Company, Inc. to Westport Oil and Gas Company, L.P.. You may accomplish this either by consent of surety rider on the original bond or a rider to the original bond. The bonds are held in Colorado.

UTU-03405
UTU-20895
UTU-25566
UTU-43156
UTU-49518
UTU-49519
UTU-49522
UTU-49523



Robert Lopez
Chief, Branch of
Minerals Adjudication

cc: Moab Field Office
Vernal Field Office
MMS, Reference Data Branch, MS3130, PO Box 5860, Denver CO 80217
State of Utah, DOGM, Attn: Jim Thompson (Ste. 1210), Box 145801, SLC UT 84114
Teresa Thompson (UT-922)
Joe Incardine (UT-921)

memorandum

Branch of Real Estate Services
Uintah & Ouray Agency

Date: 5 December, 2002

Reply to
Attn of: Supervisory Petroleum Engineer

Subject: Modification of Utah Division of Oil, Gas and Mining Regulations

To: Director, Utah Division of Oil, Gas and Mining Division: John Baza

We have been advised of changes occurring with the operation of your database for Change of Operator. You will be modifying your records to reflect Change of Operator once you have received all necessary documentation from the companies involved, and perhaps in advance of our Notice of Concurrence/Approval of Change of Operator where Indian leases are involved.

We have no objection.

With further comment to Rulemaking, I wish to comment concerning the provision of Exhibits for upcoming Hearings. I would like to see the Uintah & Ouray Agency, BIA, and the Ute Indian Tribe, Energy & Mineral Resources Department added to the list of those parties that receive advance Exhibits so as to allow us to have research time prior to Hearing dates. We will be able to provide a more informed recommendation to the Oil, Gas and Mining Board. It would be best if we would receive only those Exhibits that concern Indian lands, specifically on or adjacent to Indian lands. This may be a difficult situation to attain, as it is not always clear where 'on or adjacent' occurs.

I am aware that you have gone to extra effort to correct this matter already, and I fully appreciate it. My request is intended only to allow the addition of Uintah & Ouray Agency and Ute Indian Tribe to the official listing.

We appreciate your concern, and hope that these comments are timely enough for consideration in the revision process.

CC: Minerals & Mining Section of RES
Ute Energy & Mineral Resources Department: Executive Director
chrono





United States Department of the Interior

BUREAU OF INDIAN AFFAIRS

Washington, D.C. 20240

FEB 10 2003

IN REPLY REFER TO:
Real Estate Services

Carroll A. Wilson
Principal Landman
Westport Oil and Gas Company, L.P.
1368 South 1200 East
Vernal, Utah 84078

Dear Mr. Wilson:

This is in response to your request for approval of RLI Insurance Company's Nationwide Oil and Gas Lease Bond No. RLB0005239 executed effective December 17, 2002, (\$150,000 coverage) with Westport Oil and Gas Company, L. P., as principal.

This bond is hereby approved as of the date of this correspondence and will be retained in the Bureau of Indian Affairs' Division of Real Estate Services, 1849 C Street, NW, MS-4512-MIB, Washington, D.C. 20240. All Bureau oil and gas regional offices and the surety are being informed of this action.

In cases where you have existing individual and/or collective bonds on file with one or more of our regional offices, you may now request those offices, directly, to terminate in lieu of coverage under this Nationwide Bond.

Enclosed is a copy of the approved bond for your files. If we may be of further assistance in this matter, please advise.

Sincerely,

Director, Office of Trust Responsibilities

ACTING

Enclosure



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

IN REPLY REFER TO
UT-922

February 27, 2003

Westport Oil and Gas Company, L.P.
Attn: Gary D. Williamson
1670 Broadway, Suite 2800
Denver, Colorado 80202

Re: Natural Buttes Unit
Uintah County, Utah

Gentlemen:

On February 27, 2003, we received an indenture dated December 17, 2002, whereby El Paso Production Oil & Gas Company resigned as Unit Operator and Westport Oil and Gas Company, L.P., was designated as Successor Unit Operator for the Natural Buttes Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective February 27, 2003. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Natural Buttes Unit Agreement.

Your nationwide (Colorado) oil and gas bond No. 1203 will be used to cover all operations within the Natural Buttes Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)
SITLA
Division of Oil, Gas & Mining
Minerals Adjudication Group
File - Natural Buttes Unit (w/enclosure)
Agr. Sec. Chron
Fluid Chron

UT922:TAThompson:tt:02/27/2003

RECEIVED

FEB 28 2003

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: _____

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: _____

7. UNIT or CA AGREEMENT NAME: _____

8. WELL NAME and NUMBER:
Exhibit "A"

9. API NUMBER: _____

10. FIELD AND POOL, OR WILDCAT: _____

1. TYPE OF WELL: OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
El Paso Production Oil & Gas Company

3. ADDRESS OF OPERATOR:
9 Greenway Plaza **Houston** **TX** **77064-0995** **(832) 676-5933**

PHONE NUMBER: _____

4. LOCATION OF WELL

FOOTAGES AT SURFACE: _____ COUNTY: _____

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE: **UTAH**

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

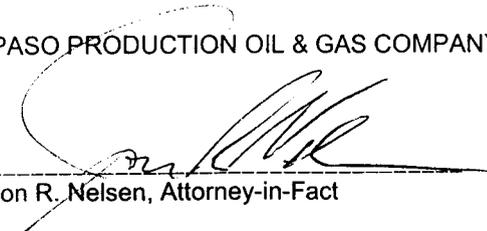
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Operator change to Westport Oil and Gas Company, L.P., 1670 Broadway, Suite 2800, Denver, CO. 80202-4800, effective December 17, 2002.

BOND # _____

State Surety Bond No. RLB0005236
Fee Bond No. RLB0005238

EL PASO PRODUCTION OIL & GAS COMPANY

By: 
Jon R. Nelsen, Attorney-in-Fact

RECEIVED

FEB 28 2003

DIV. OF OIL, GAS & MINING

WESTPORT OIL AND GAS COMPANY, L.P.

NAME (PLEASE PRINT) **David R. Dix** TITLE **Agent and Attorney-in-Fact**

SIGNATURE  DATE **12/17/02**

(This space for State use only)

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or reenter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

- 5. Lease Serial No.
SEE ATTACHED EXHIBIT "A"
- 6. If Indian, Allottee or Tribe Name
- 7. If Unit or CA/Agreement, Name and/or No.
- 8. Well Name and No.
SEE ATTACHED EXHIBIT "A"
- 9. API Well No.
SEE ATTACHED EXHIBIT "A"
- 10. Field and Pool, or Exploratory Area
- 11. County or Parish, State
UINTAH COUNTY, UT

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
WESTPORT OIL & GAS COMPANY, L.P.

3a. Address
P.O. BOX 1148 VERNAL, UT 84078

3b. Phone No. (include area code)
(435) 781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEE ATTACHED EXHIBIT "A"

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other

**SUCCESSOR OF
OPERATOR**

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zc. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed if testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator determined that the site is ready for final inspection.

WESTPORT OIL & GAS COMPANY, L.P., IS CONSIDERED TO BE THE OPERATOR ON THE ATTACHED DESCRIBED LANDS AND IS RESPONSIBLE UNDER THE TERMS AND CONDITIONS OF THE LEASE FOR THE OPERATIONS CONDUCTED ON THE LEASED LANDS OR PORTIONS THEREOF, BOND COVERAGE FOR THIS WELL IS PROVIDED BY FEDERAL NATIONWIDE BOND NO. 158626364, EFFECTIVE FEBRUARY 1, 2002, AND BIA NATIONWIDE BOND NO. RLB0005239, EFFECTIVE FEBRUARY 10, 2003.

RECEIVED
MAR 04 2003

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

CHERYL CAMERON

Title

OPERATIONS

Signature

Date

March 4, 2003

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

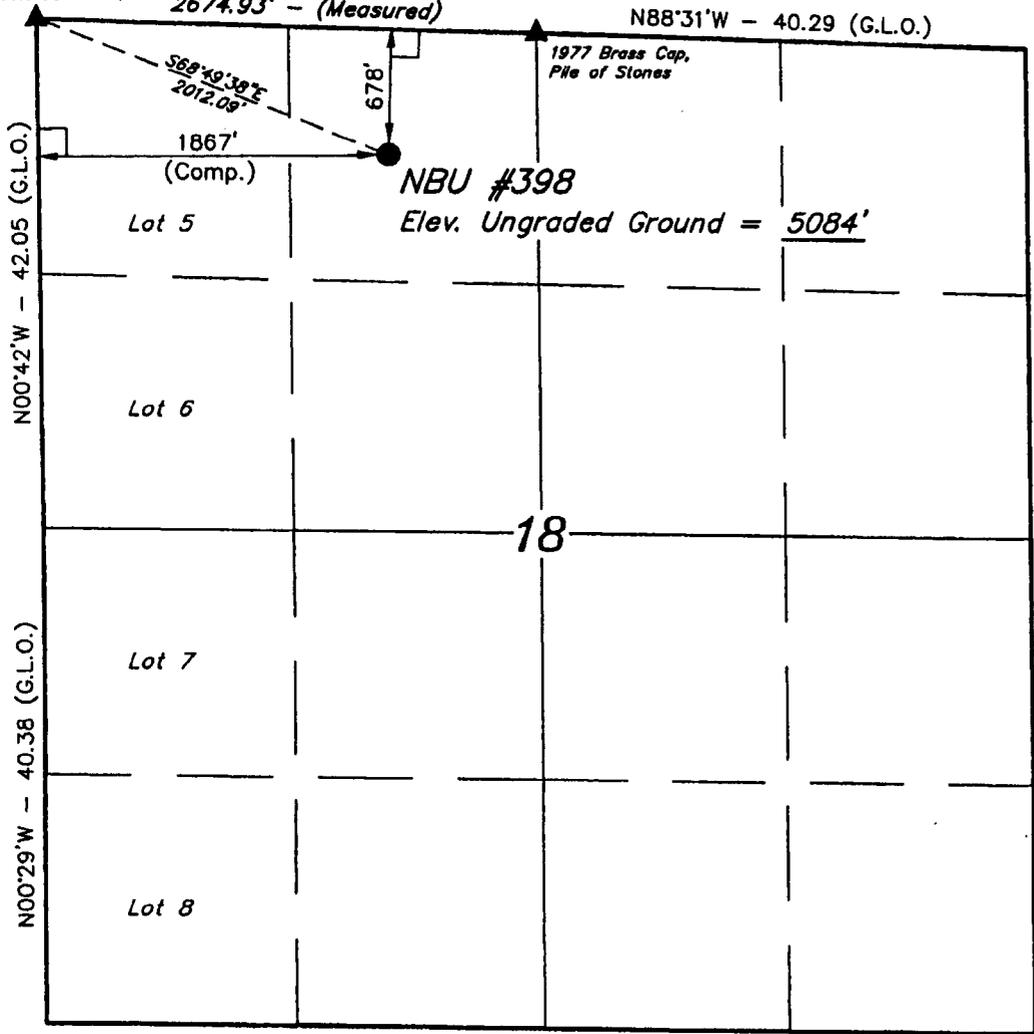
(Instructions on reverse)

Additional Operator Remarks:

NO REMARK PROVIDED

T10S, R21E, S.L.B.&M.

1928 Brass Cap,
1.2' High, Set
Stone, Scattered
Stones



LEGEND:

- └ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

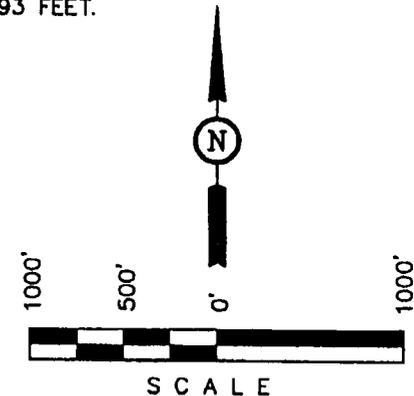
LATITUDE = 39°57'13"
LONGITUDE = 109°35'50"

EL PASO PRODUCTION OIL & GAS COMPANY

Well location, NBU #398, located as shown in the NE 1/4 NW 1/4 of Section 18, T10S, R21E, S.L.B.&M. Uintah County, Utah.

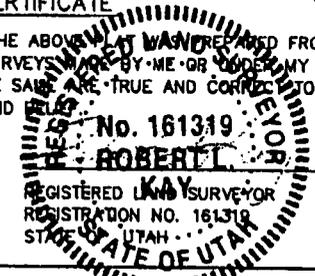
BASIS OF ELEVATION

SPOT ELEVATION ON A HILL TOP IN THE SE 1/4 OF SECTION 7, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5193 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 8-7-01	DATE DRAWN: 8-13-01
PARTY B.B. W.L. C.G.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE EL PASO PRODUCTION PRODUCTION COMPANY	

EL PASO PRODUCTION OIL & GAS COMPANY

NBU #398

SECTION 18, T10S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 6.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 2.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 2.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.1 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTH; FOLLOW ROAD FLAGS IN A SOUTHERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 43.7 MILES.

EL PASO PRODUCTION OIL & GAS COMPANY

NBU #398

LOCATED IN UTAH COUNTY, UTAH
SECTION 18, T10S, R21E, S.1.B.&M.

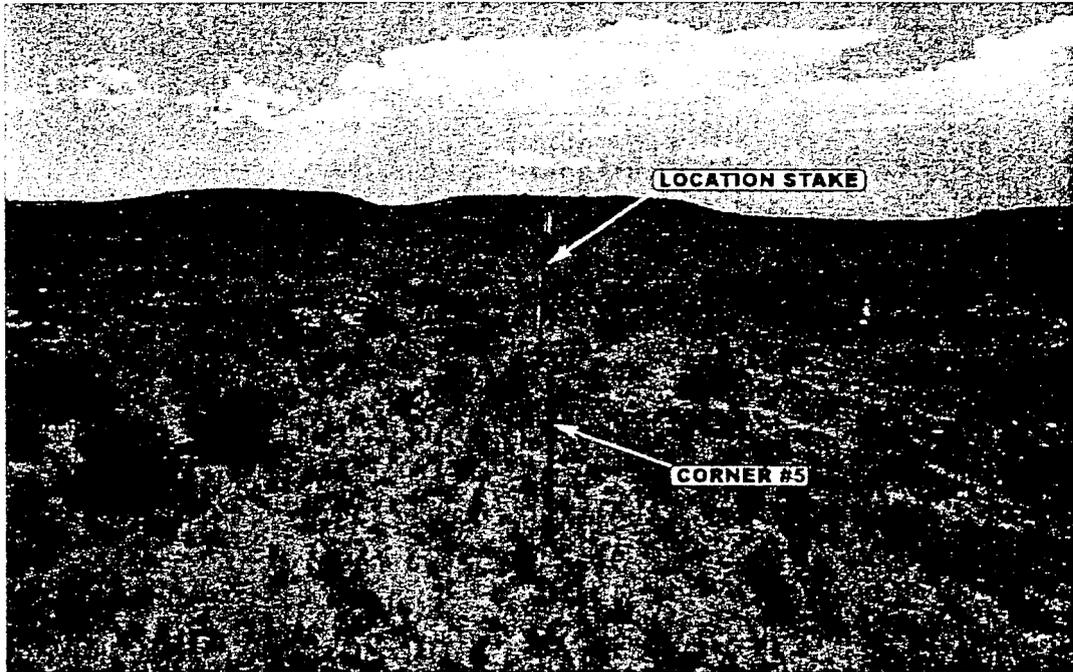


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY

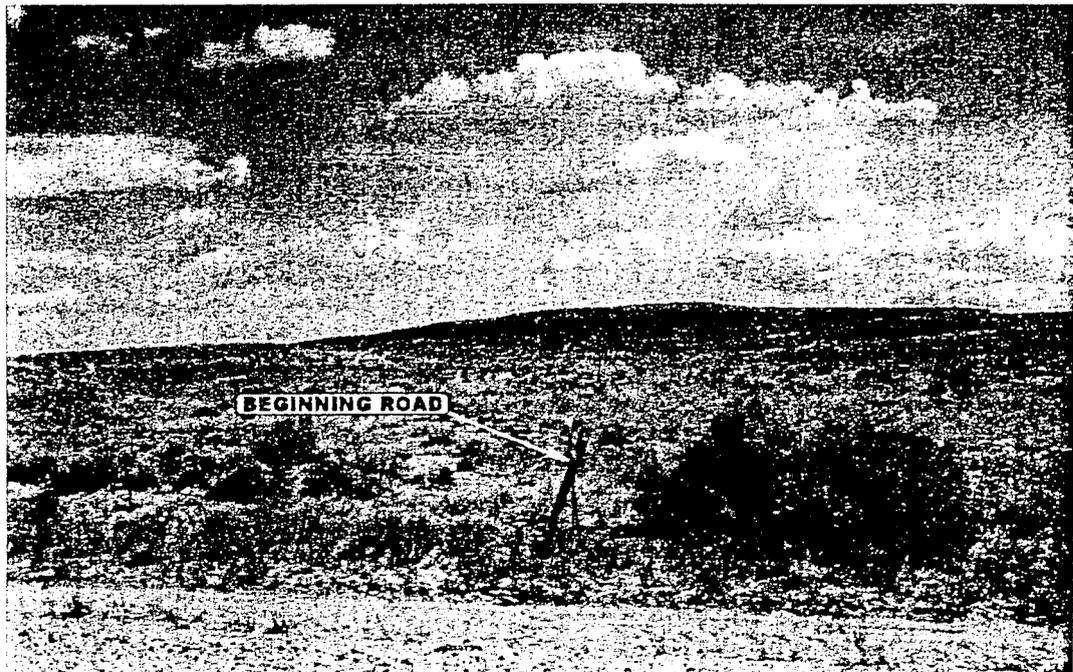


PHOTO: VIEW FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: SOUTHERLY



E.L.S. Uintah Engineering & Land Surveying
85 South 200 East - Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	8	8	01	PHOTO
TAKEN BY: B.B.	MONTH	DAY	YEAR	
DRAWN BY: P.M.	REVISED: 00-00-00			

NBU #398
NE/NW Sec. 18, T10S,R21E
UINTAH COUNTY, UTAH
U-02270-A

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. **Estimated Tops of Important Geologic Markers:**

<u>Formation</u>	<u>Depth</u>
KB	5090'
Green River	1275'
Wasatch	4550'
TD	6800'

2. **Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Gas	Green River	1275'
	Wasatch	4550'
Water	N/A	
Other Minerals	N/A	

3. **Pressure Control Equipment** (Schematic Attached)

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

4. **Proposed Casing & Cementing Program:**

Please see the Natural Buttes Unit SOP.

5. **Drilling Fluids Program:**

Please see the Natural Buttes Unit SOP.

6. **Evaluation Program:**

Please see the Natural Buttes Unit SOP.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 6800' TD, approximately equals 2720 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1224 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

9. **Variations:**

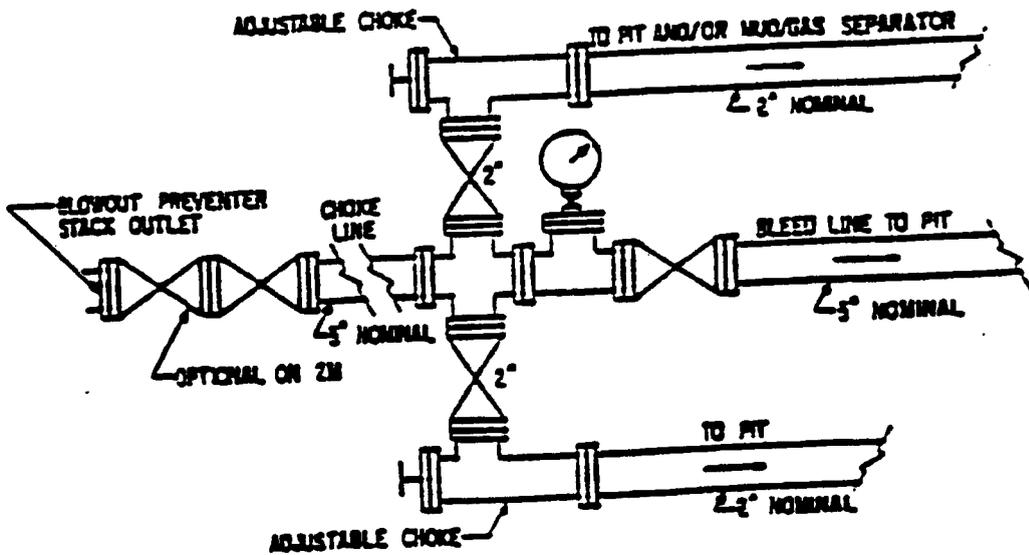
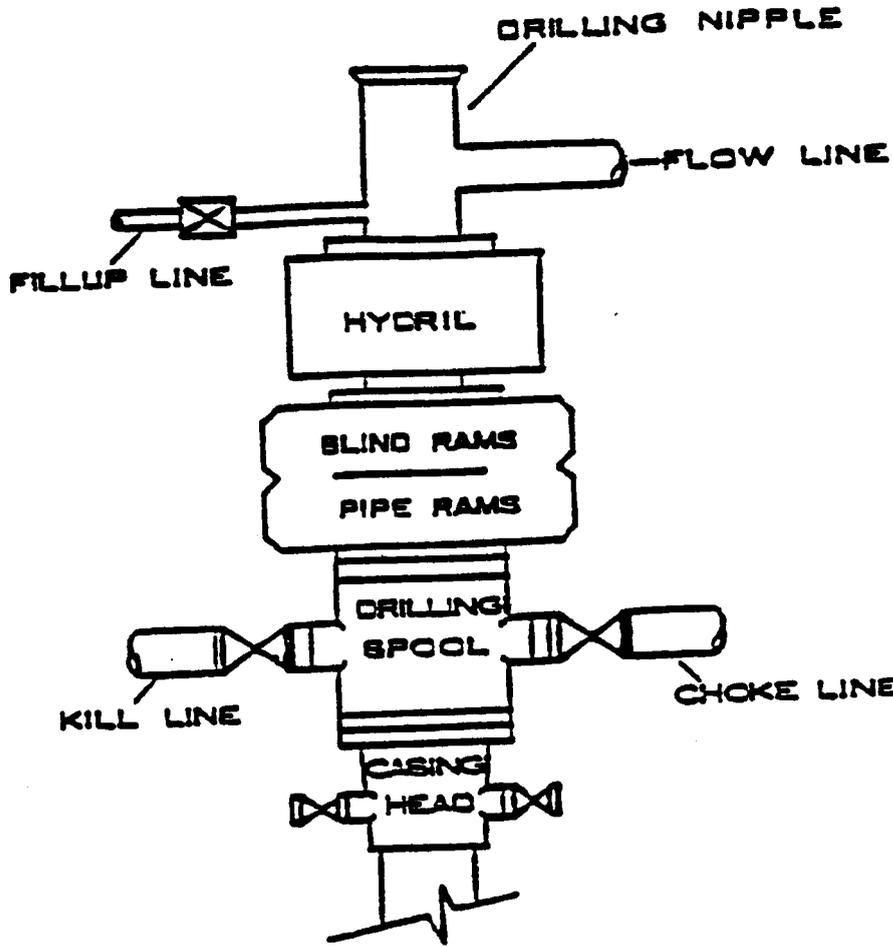
Please see Natural Buttes Unit SOP.

10. **Other Information:**

Please see Natural Buttes Unit SOP.

3,000 PSI

BOP STACK



NBU #398
NENW Sec. 18, T10S, R21E
UINTAH COUNTY, UTAH
U-02270-A

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. **Existing Roads:**

Total distance from Vernal, Utah to the proposed location is approximately 43.7 miles. Refer to the attached location directions.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius. *Improvements to existing roads shall be determined at the on-site inspection.*

2. **Planned Access Roads:**

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

Approximately 0.1 miles of new access road is proposed. Refer to Topo Map B.

3. **Location of Existing Wells Within a 1-Mile Radius:**

Please refer to Topo Map C.

4. **Location of Existing & Proposed Facilities:**

Please see the Natural Buttes Unit SOP.

Approximately 1500' of pipeline is proposed. Refer to Topo Map D for the location of the proposed pipeline.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon (2.5Y 6/2), a non-reflective earthtone.

5. **Location and Type of Water Supply:**

Please see the Natural Buttes SOP.

6. **Source of Construction Materials:**

Please see the Natural Buttes SOP.

7. **Methods of Handling Waste Materials:**

Please see the Natural Buttes SOP.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E (*Request is in lieu of filing Form 3160-5, after initial production*).

8. **Ancillary Facilities:**

Please see the Natural Buttes SOP.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s). *This section is subject to modification as a result of the on-site inspection.*

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

The need for a reserve pit liner shall be determined at the on-site inspection.

Location size may change prior to the drilling of the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling rig. The location will be re-surveyed and a form 3160-5 will be submitted.

10. **Plans for Reclamation of the Surface:**

Please see the Natural Buttes SOP.

The following seed mixture will be used to reclaim the surface. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for *drilled* seed are:

Shadscale	4 lbs.
Gardiner Salt Brush	4 lbs.
Galleta Rice Grass	4 lbs.

11. **Surface Ownership:**

The well pad and access road are located on lands owned by:

SITLA
675 East 500 South, Suite 500
Salt Lake City, Utah

12. Other Information:

A Class III archaeological survey has been conducted and a copy of this report is attached.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within the boundaries of the Unit.

13. Lessee's or Operators's Representative & Certification:

Cheryl Cameron
Regulatory Analyst
El Paso Production O&G Co.
P.O. Box 1148
Vernal, UT 84078
(435) 781-7023

Scott Palmer
Drilling Manager
El Paso Production O&G Co.
9 Greenway Plaza, Suite 2770
Houston, TX 77046
(713) 420-4850

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

El Paso O&G Co. is considered to be the operator of the subject well. El Paso O&G Co. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon leased lands.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

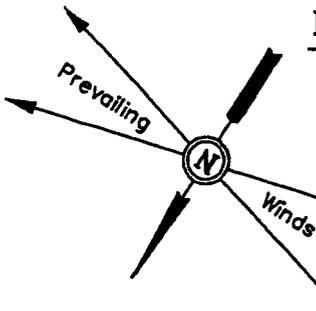
/s/Cheryl Cameron
Cheryl Cameron

10/25/01
Date

EL PASO PRODUCTION OIL & GAS COMPANY

LOCATION LAYOUT FOR

NBU #398
SECTION 18, T10S, R21E, S.L.B.&M.
678' FNL 1867' FWL



C-7.5'
El. 90.9'

C-0.6'
El. 84.0'

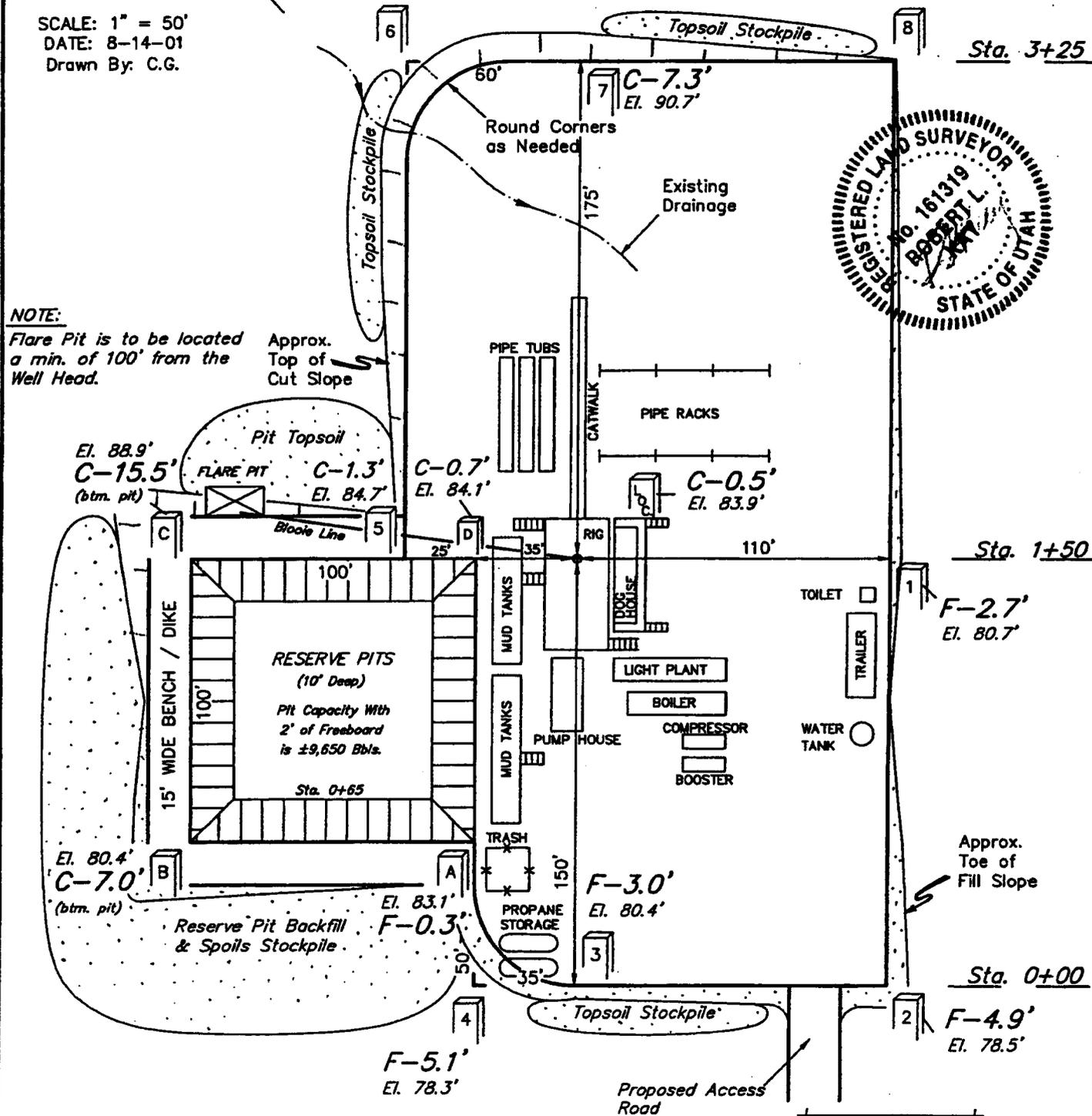
SCALE: 1" = 50'
DATE: 8-14-01
Drawn By: C.G.

Sta. 3+25

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.

Approx. Top of Cut Slope



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5083.9'
FINISHED GRADE ELEV. AT LOC. STAKE = 5083.4'

FIGURE #1

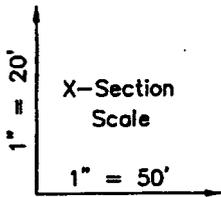
EL PASO PRODUCTION OIL & GAS COMPANY

TYPICAL CROSS SECTIONS FOR

NBU #398

SECTION 18, T10S, R21E, S.L.B.&M.

678' FNL 1867' FWL



DATE: 8-14-01
Drawn By: C.G.

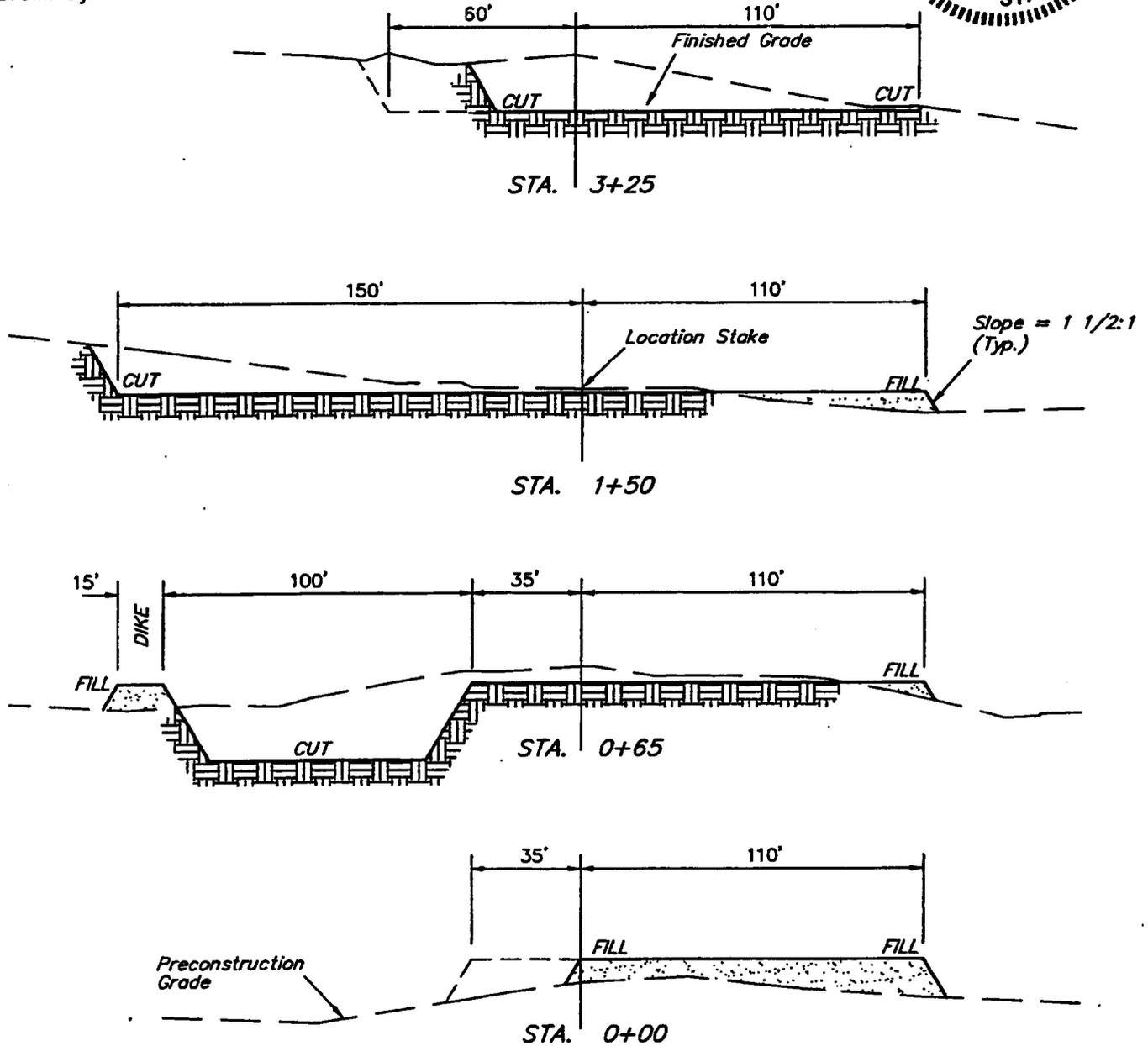


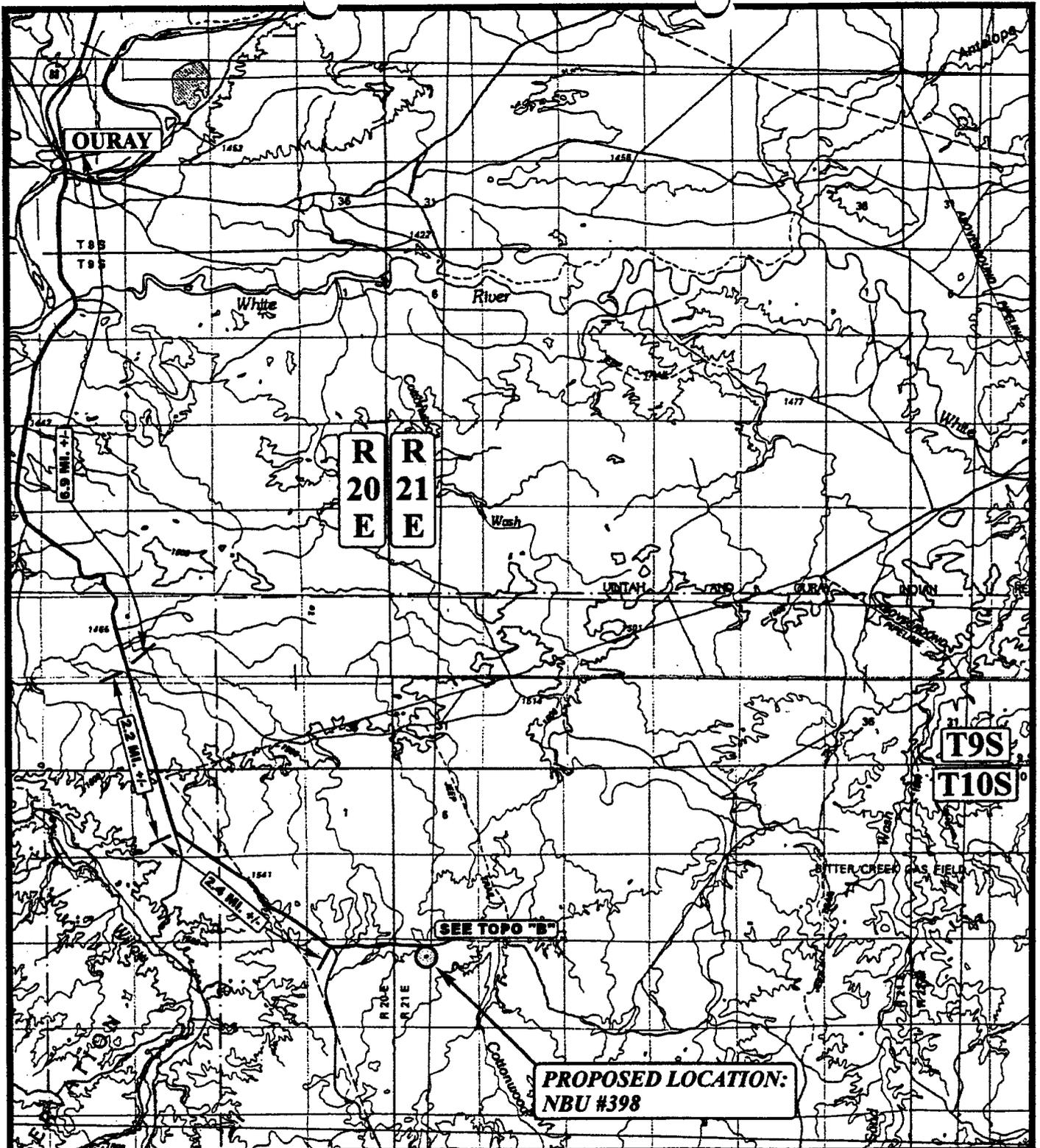
FIGURE #2

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,220 Cu. Yds.
Remaining Location	= 5,320 Cu. Yds.
TOTAL CUT	= 6,540 CU.YDS.
FILL	= 1,870 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 4,570 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,560 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 2,010 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017



LEGEND:

⊙ PROPOSED LOCATION

EL PASO PRODUCTION OIL & GAS COMPANY

NBU #398
SECTION 18, T10S, R21E, S.L.B.&M.
678' FNL 1867' FWL

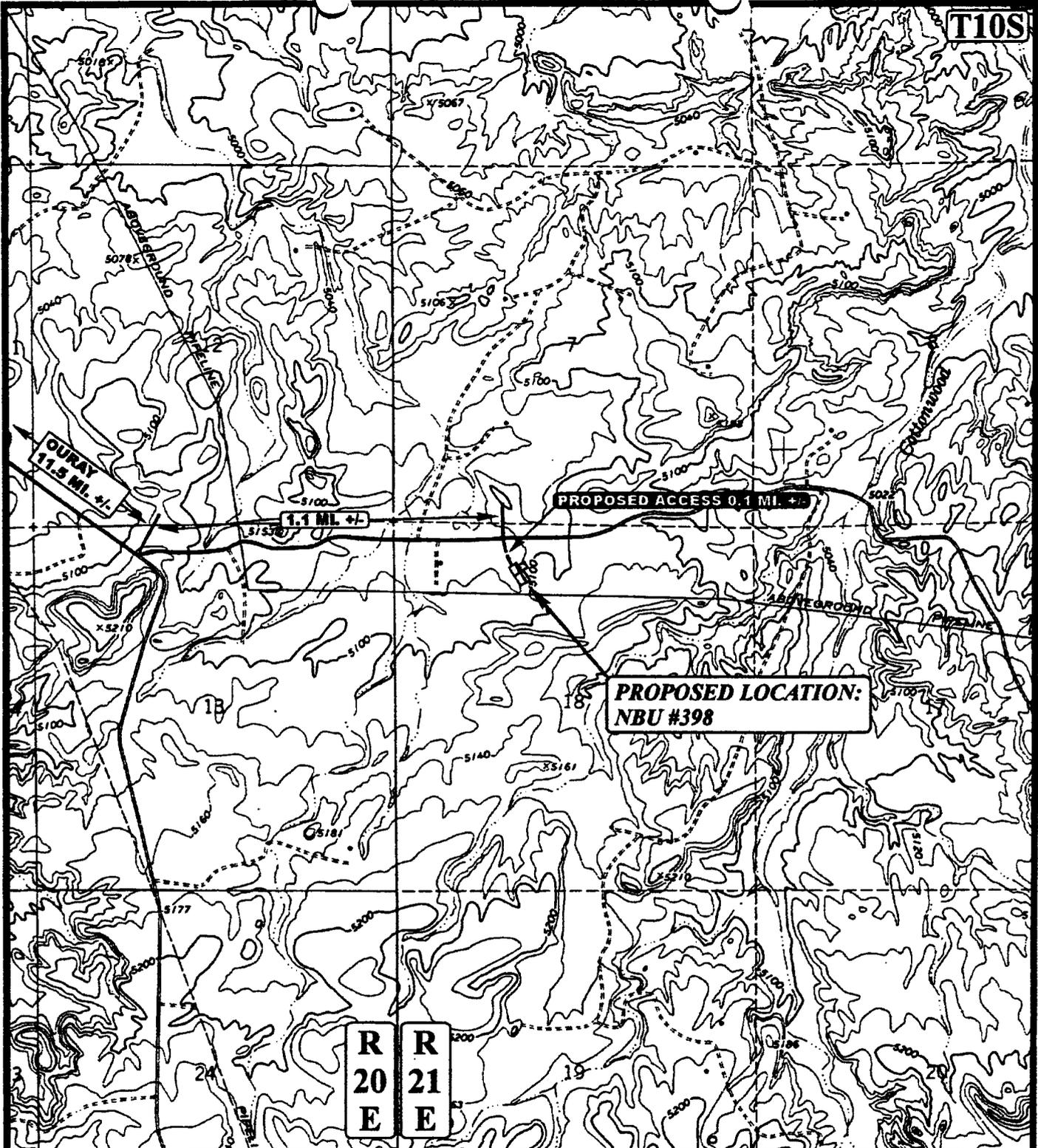


U&Ls Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 8 8 01
MAP MONTH DAY YEAR
 SCALE: 1:100,000 | DRAWN BY: P.M. | REVISED: 00-00-00



T10S



LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



EL PASO PRODUCTION OIL & GAS COMPANY

NBU #398

SECTION 18, T10S, R21E, S.L.B.&M.

678' FNL 1867' FWL



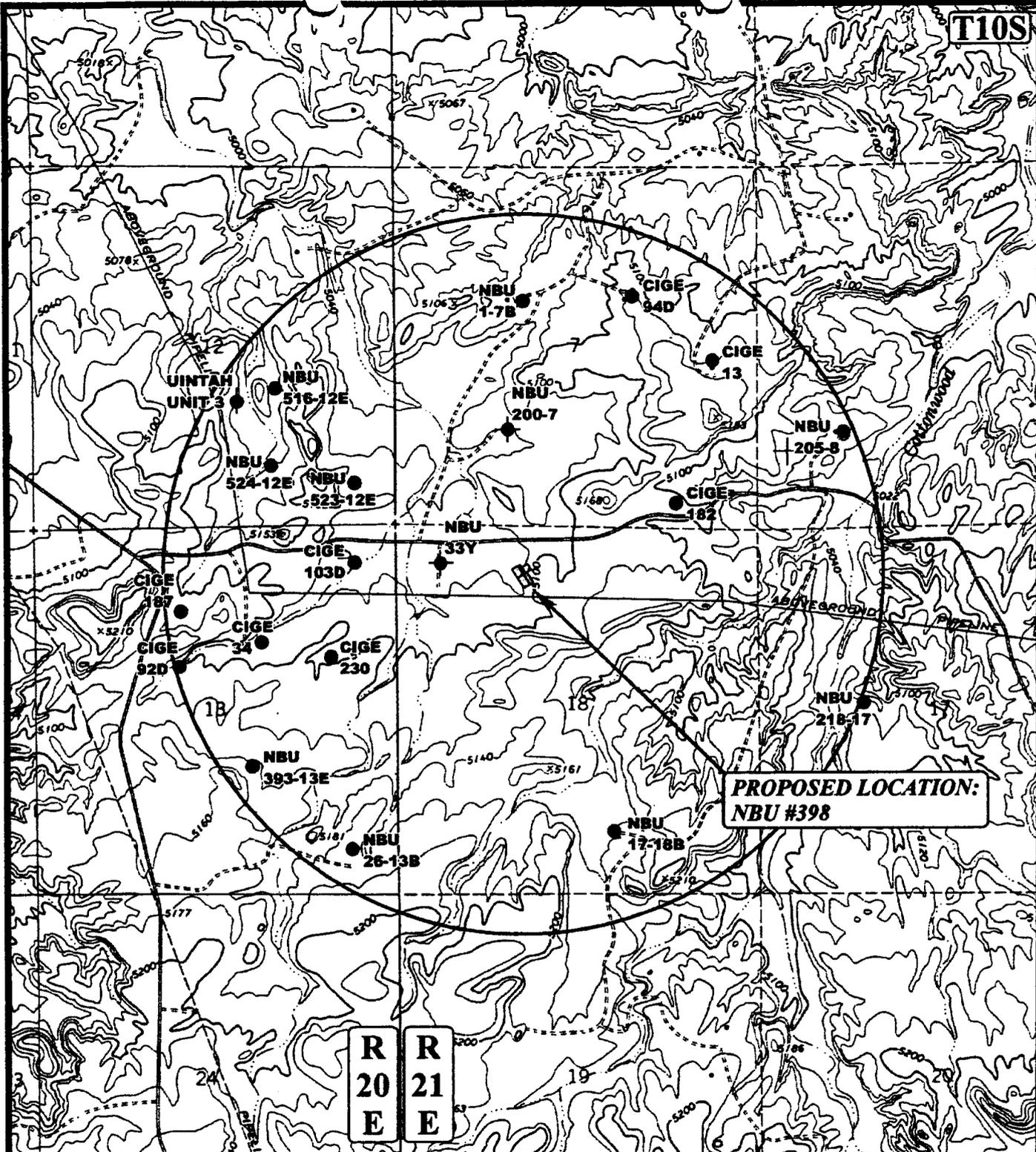
Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 8 8 01
MAP MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00



T10S



**PROPOSED LOCATION:
NBU #398**

R 20 E
R 21 E

LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

EL PASO PRODUCTION OIL & GAS COMPANY

NBU #398
SECTION 18, T10S, R21E, S.L.B.&M.
678' FNL 1867' FWL



Uints Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

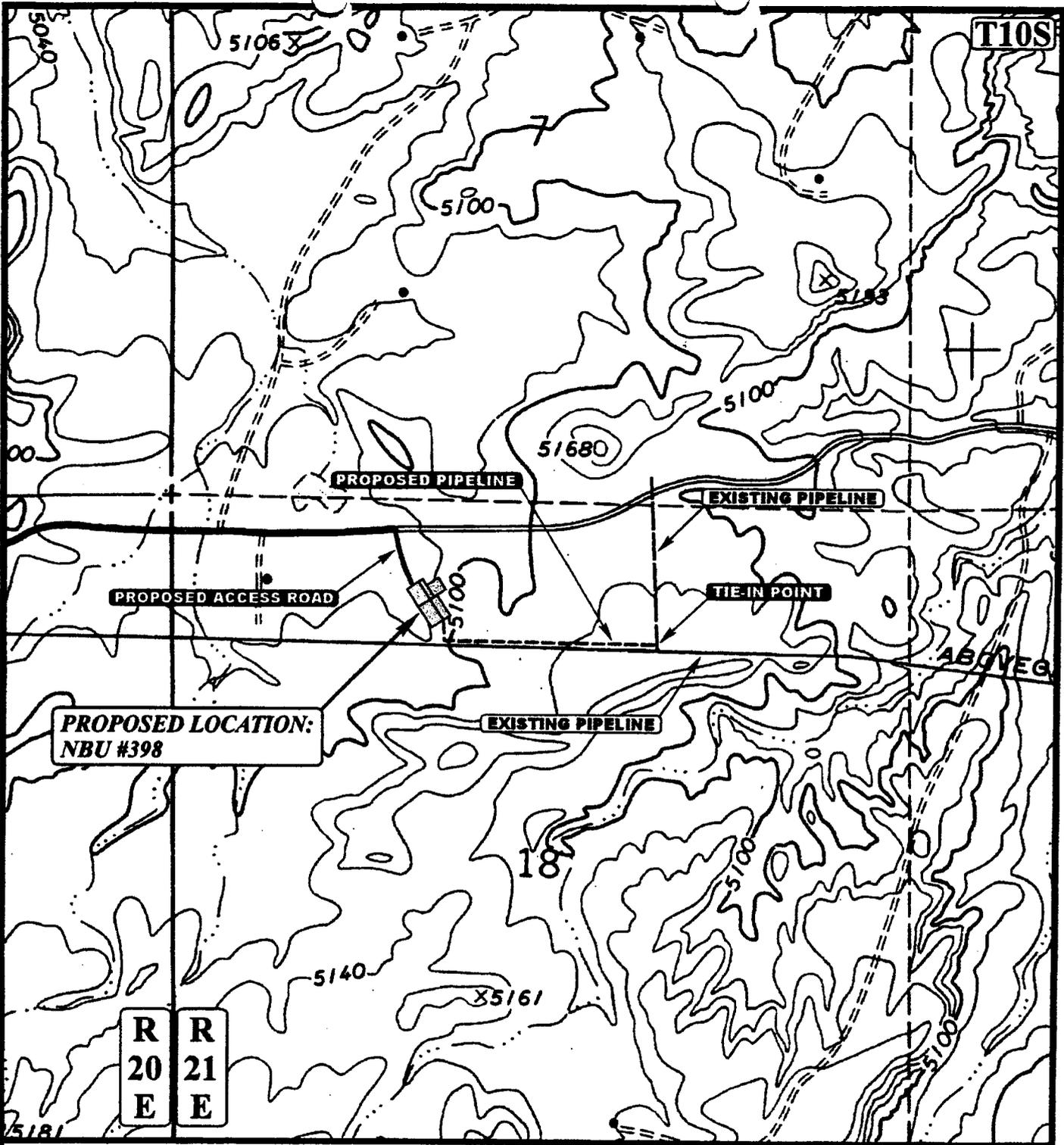


**TOPOGRAPHIC
MAP**

8 8 01
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 1500' +/-

LEGEND:

- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED ACCESS



EL PASO PRODUCTION OIL & GAS COMPANY

NBU #398
SECTION 18, T10S, R21E, S.L.B.&M.
678' FNL 1867' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 8 8 01
MAP MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 00-00-00



CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: El Paso Production Oil & Gas Corp.

Well Name & Number: NBU 398

API Number: 43-047-34366

Lease Number: U-02270-A

Location: NENW Sec. 18 T. 10S R. 21E

Agreement: Natural Buttes WS MV

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease that will entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to John Mayers of this office prior to setting the next casing string or requesting plugging orders. Faxed copies of State of Utah form OGC-8-X are acceptable.

2. Pressure Control Equipment

The variances requested in section 9 of the NBU Field SOP are granted with the following conditions:

Where the location and rig layout allows, the blooie line shall be straight and extend 100' from the wellbore. This requirement will be waived only in the case where the location is too small to accommodate it.

3. Casing Program and Auxiliary Equipment

None

4. Mud Program and Circulating Medium

None

5. Coring, Logging and Testing Program

Cement Bond Logs will be required from TD to the surface casing shoe.

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

6. Notifications of Operations

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

7. Other Information

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

OPERATOR CHANGE WORKSHEET

1. GLH
2. CDW ✓
3. FILE

006

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective: **12-17-02**

FROM: (Old Operator):	TO: (New Operator):
EL PASO PRODUCTION OIL & GAS COMPANY	WESTPORT OIL & GAS COMPANY LP
Address: 9 GREENWAY PLAZA	Address: P O BOX 1148
HOUSTON, TX 77064-0995	VERNAL, UT 84078
Phone: 1-(832)-676-5933	Phone: 1-(435)-781-7023
Account No. N1845	Account No. N2115

CA No. Unit: NATURAL BUTTES

WELL(S)	SEC TWN	API NO	ENTITY	LEASE	WELL	WELL
NAME	RNG		NO	TYPE	TYPE	STATUS
NBU 398	18-10S-21E	43-047-34366	99999	FEDERAL	GW	APD
CIGE 69-19-10-21	19-10S-21E	43-047-30635	2900	STATE	GW	PA
NBU CIGE 20-20-10-21	20-10S-21E	43-047-30485	2900	STATE	GW	P
NBU 75N3	20-10S-21E	43-047-31103	2900	STATE	GW	P
NBU 420	20-10S-21E	43-047-34377	99999	FEDERAL	GW	APD
NBU 421	20-10S-21E	43-047-34378	99999	FEDERAL	GW	APD
CIGE 252	21-10S-21E	43-047-33721	2900	FEDERAL	GW	P
CIGE 253	21-10S-21E	43-047-33722	2900	FEDERAL	GW	P
CIGE 248-21-10-21	21-10S-21E	43-047-33226	2900	FEDERAL	GW	P
CIGE 276	21-10S-21E	43-047-34417	99999	FEDERAL	GW	APD
CIGE 277	21-10S-21E	43-047-34800	99999	FEDERAL	GW	APD
NBU 19	21-10S-21E	43-047-30227	2900	FEDERAL	GW	PA
NBU 419	21-10S-21E	43-047-34376	99999	FEDERAL	GW	APD
NBU CIGE 59-21-10-21	21-10S-21E	43-047-30548	2900	FEDERAL	GW	PA
NBU 388	22-10S-21E	43-047-34240	99999	FEDERAL	GW	APD
NBU CIGE 49-22-10-21E	22-10S-21E	43-047-30507	2900	FEDERAL	GW	PA
CIGE 66-23-10-21	23-10S-21E	43-047-30542	2900	FEDERAL	GW	S
NBU 401	23-10S-21E	43-047-34801	99999	FEDERAL	GW	APD
NBU 387	23-10S-21E	43-047-34239	99999	FEDERAL	GW	APD
UINTAH UNIT 4	23-10S-21E	43-047-15376	2900	FEDERAL	WS	PA

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 02/28/2003
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 03/04/2003
3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 03/06/2003
4. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
5. If **NO**, the operator was contacted contacted on: _____

6. (R649-9-2)Waste Management Plan has been received on: IN PLACE

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM-12/31/2003 BIA-12/5/02

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: 02/27/2003

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the Oil and Gas Database on: 03/21/2003
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 03/21/2003
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE WELL(S) BOND VERIFICATION:

1. State well(s) covered by Bond Number: RLB 0005236

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: 158626364

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: RLB 0005239

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB 0005238
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:

DIVISION OF OIL, GAS AND MINING**SPUDDING INFORMATION**Name of Company: WESTPORT OIL & GAS COMPANY LPWell Name: NBU 398Api No: 43-047-34366 Lease Type: FEDERAL-ST SURFSection 18 Township 10S Range 21E County UINTAHDrilling Contractor SKI DRILLING RIG # AIR**SPUDED:**Date 07/02/03Time 4:00 AMHow ROTARY**Drilling will commence:** _____Reported by LOVELL YOUNGTelephone # 1-435-828--4235Date 07/03/2003 Signed: CHD

012

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
ENTITY ACTION FORM - FORM 6

OPERATOR WESTPORT O & G CO., L.P.
ADDRESS P.O. BOX 1148
VERNAL, UTAH 84078

OPERATOR ACCT. NO. IN 2113

P. 01/01

FAX NO.

JUL-03-2003 THU 07:42 AM

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B	99999	2900	43-047-34366	NBU 398	NENW	18	10S	21E	UINTAH	7/3/2003	7/9/03
WELL 1 COMMENTS: MIRI SKI ATR RIG WELL SPUD ON 7/3/03 @ 0400 HRS <i>msurd</i>											
ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
WELL 2 COMMENTS:											
ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
WELL 3 COMMENTS:											
ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
WELL 4 COMMENTS:											
ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
WELL 5 COMMENTS:											

- ACTION CODES (See instructions on back of form)
- A - Establish new entity for new well (single well only)
 - B - Add new well to existing entity (group or unit well)
 - C - Re-assign well from one existing entity to another
 - D - Re-assign well from one existing entity to a new
 - E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action (3489)

Debra Domestica
Signature

ADMINISTRATIVE ASST 07/03/03
Title Date
Phone No. (435)781-7060

Post-It® Fax Note 7671

Date	# of pages
To <i>Evelene Russell</i>	From
Co./Dept. <i>NOGM</i>	Co.
Phone # <i>(801)538-5336</i>	Phone #
Fax # <i>(801)359-3940</i>	Fax #

RECEIVED
JUL 03 2003

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

008

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

CONFIDENTIAL

2. Name of Operator
WESTPORT OIL & GAS COMPANY, L.P.

3a. Address **P.O. BOX 1148, VERNAL, UTAH 84078**
 3b. Phone No. (include area code) **(435)781-7060**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**678' FNL 1867' FWL
 NENW SEC 18-T10S-R21E**

5. Lease Serial No.
U-02270-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NATURAL BUTTES

8. Well Name and No.
NBU 398

9. API Well No.
43-047-34366

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other <u>SPUD</u>

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

MIRU SKI AIR RIG. SPUD @ 0400 HRS 7/3/03. DRILL 12 1/4 HOLE 280'. RAN 6JT 9 5/8" 32.3# H-40 HTC CASING 1 261'. PUMP 10 BBL DYE WATER, 10 BBL GEL WATER, 115SK 'G' CEMENT W/ 2% CACL2# .25# CELOFLAKE 15.8 PPG. 1.17 YEILD.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) DEBRA DOMENICI	Title ADMINISTRATIVE ASSISTANT
Signature <i>Debra Domenici</i>	Date July 3, 2003

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

RECEIVED

JUL 08 2003

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

009

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
WESTPORT OIL & GAS COMPANY, L.P.

3a. Address
P.O. BOX 1148, VERNAL, UTAH 84078

3b. Phone No. (include area code)
(435)781-7060

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**NENW SEC 18-T10S-R21E
 678' FNL 1867' FWL**

CONFIDENTIAL

5. Lease Serial No.
U-02270-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NATURAL BUTTES

8. Well Name and No.
NBU 398

9. API Well No.
43-047-34366

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input type="checkbox"/> Other _____

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

OPERATOR REQUESTS AUTHORIZATION TO AMEND THE APPROVED DRILLING PLAN; AMENDMENT TO CHANGE CASING, CEMENT, AND TD FROM 6900' TO 8500'. REFER TO THE ATTACHED DHD FOR THE ABOVE REFERENCED AMENDMENTS.

COPY SENT TO OPERATOR
 Date: 7-17-03
 Initials: CHD

**Approved by the
 Utah Division of
 Oil, Gas and Mining**

**Federal Approval of this
 Action is Necessary**

Date: 07-17-03
 By: [Signature]

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) DEBRA DOMENICI	Title ADMINISTRATIVE ASSISTANT
Signature <u>[Signature]</u>	Date July 9, 2003

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

RECEIVED

JUL 14 2003

DIV. OF OIL, GAS & MINING


Westport Oil and Gas Company, L.P.
DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-20'				2270	1370	254000
SURFACE	9-5/8"	0 to 250	32.30	H-40	STC	16.19	11.71	4.37
						7780	6350	201000
PRODUCTION	4-1/2"	0 to 2000	11.60	M-80	LTC	2.27	5.09	2.34
						5350	4960	162000
PRODUCTION	4-1/2"	2000 to 8500	11.60	J-55	LTC	2.10	1.25	2.46

- 1) Maximum Anticipated Surface Pressure (MASP) (Conductor and Surface Casings) = (Frac Gradient at Shoe - Gas Gradient (0.115 psi/ft))(TVD)
 - 2) MASP (Int Casing) = Pore Pressure at Next Casing Point - (Gas Gradient x TVD of Next Casing Point x 0.67) - (Mud Weight x TVD x 0.052 x 0.33)
 - 3) MASP (Prod Casing) = Pore Pressure - (Gas Gradient x TVD of Production Interval)
- (Burst Assumptions: FG @ 8-5/8" shoe = 13.0 ppg, Max Pore Pressure = 9.0 ppg EMW)
(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoyancy Factor)

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE		250	Class G + 2% CaCl ₂ + 0.25 pps celloflake	110	35%	15.80	1.16
PRODUCTION	LEAD	4,060'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	440	60%	11.00	3.38
	TAIL	4,440'	50/50 Poz/G + 10% salt + 2% gel	1240	60%	14.30	1.31

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.
BOPE: 11" 3M with one annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.
Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

DRILLING ENGINEER: _____
Brad Laney

DRILLING SUPERINTENDENT: _____
Randy Bayne

DATE: _____
DATE: _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
WESTPORT OIL & GAS COMPANY, L.P.

3a. Address
P.O. BOX 1148 VERNAL, UT 84078

3b. Phone No. (include area code)
(435) 781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**NENW 678' FNL, 1867' FWL
 SEC. 18, T10S, R21E**

CONFIDENTIAL

5. Lease Serial No.
U-02270-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NATURAL BUTTES UNIT

8. Well Name and No.
NBU 398

9. API Well No.
43-047-34366

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH, UT

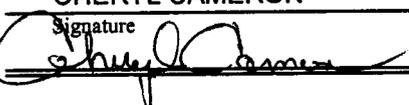
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other
			RUN INTERMEDIATE
			CSG

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

DRILL F/ 280' - 4231' W/ CAZA, RIG #82. RU & RUN 60 JTS 7" 23# J-55 CSG; VERBAL APPROVAL GIVEN TO RANDY BAYNE BY KIRK FLEETWOOD (BUREAU OF LAND MANAGEMENT), DUE TO HOLE CONDITIONS. CMT W/ 71 BBLs LEAD MIXED @ 11.0 PPG & TAIL W/ 20 BBLs MIXED @ 14.8 PPG.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) CHERYL CAMERON	Title SR. REGULATORY ANALYST
Signature 	Date JULY 28, 2003

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

RECEIVED
AUG 04 2003
 DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

011

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
WESTPORT OIL & GAS COMPANY, L.P.

3a. Address
P.O. BOX 1148, VERNAL, UTAH 84078

3b. Phone No. (include area code)
435-781-7060

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**NENW SECTION 18-T10S-R21E
 678' FNL 1867' FWL**

CONFIDENTIAL

5. Lease Serial No.
U-02270-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NATURAL BUTTES

8. Well Name and No.
NBU 398

9. API Well No.
43-047-34366

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other CEMENT
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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RAN 4 1/2" 11.6# LTC CSG (155 JTS J55 FOLLOWED BY 43 JTS M80). TAGGED AT 8510. CIRCULATED, WASHED TO 8526- UNABLE TO WASH DOWN FURTHER. CEMENT AS FOLLOWS: PUMPED 50 BW, 20 SX SCAVENGER CEMENT (PREMIUM LITE II @ 9.5 PPG, 8.44 FT3/SK). 180 SX PREMIUM LITE II (11.0 PPG, 3.38 FT3/SK), AND 970 SX 50/50 POZ (14.3 PPG, 1.31 FT3/SK). DROPPED PLUG. DISPLACED W/ 132 BW W/ BIOCIDE. FULL CIRCULATION THROUGHOUT JOB, CIRCULATED 30 BBLs LEAD CEMENT TO SURFACE, FINAL LIFT PRESSURE- 2930 PSI, BUMPED PLUG TO 3400 PSI. BLED OFF- FLOATS HELD. SET CSG SLIPS W/ 80000#. CUT OFF CSG, DROPPED 10 CHLORINE TABLETS DOWN CSG, CLEAN MUD TANKS, RIG RELEASED AT MIDNIGHT 8/14/03.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) DEBRA DOMENICI	Title ADMINISTRATIVE ASSISTANT
Signature <i>Debra Domenici</i>	Date August 15, 2003

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

RECEIVED
AUG 18 2003
 DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

014

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
Multiple Wells - see attached

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
891008900A

8. Well Name and No.
Multiple Wells - see attached

9. API Well No.
Multiple Wells - see attached

10. Field and Pool, or Exploratory Area
Natural Buttes Unit

11. County or Parish, State
Uintah County, UT

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
WESTPORT OIL & GAS COMPANY, L.P.

3a. Address
P.O. BOX 1148 VERNAL, UT 84078

3b. Phone No. (include area code)
(435) 781-

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Multiple Wells - see attached

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

Westport Oil & Gas requests a variance to Onshore Order No. 4, Part IIIC.a. requiring each sales tank be equipped with a pressure-vacuum thief hatch and/or vent line valve. The variance is requested as an economic analysis shows the value of the shrunk condensate will not payout the incremental cost of purchasing and maintaining the valve resulting in a loss of value over the producing life of the well.

The volume lost to shrinkage by dropping the tank pressure from 6 ozs. to 0 psig is shown to be 0.3% of the tank volume. This was determined by lab analysis of a representative sample from the field. The sample shrunk from 98.82% of original volume to 98.52% when the pressure was dropped. The average NBU well produces approximately 6 bbls condensate per month. The resulting shrinkage would amount to 0.56 bbls per month lost volume due to shrinkage. The value of the shrunk and lost condensate does not recoup or payout the cost of installing and maintaining the valves and other devices that hold the positive tank pressure. An economic run based on the loss and costs is attached. Westport Oil & gas requests approval of this variance in order to increase the value of the well to the operator and the mineral royalty owners.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) J.T. Conley Title Operations Manager
Signature *J.T. Conley* Date: 9-2-2003
Initials: *JTC* Date: 9-2-2003

RECEIVED
SEP 10 2003
DIV. OF OIL, GAS & MINING

THIS SPACE FOR FEDERAL OR STATE USE

Approved by _____ Title _____ Date _____
Accepted by the Utah Division of Oil, Gas and Mining
Office _____ Date: 9/16/03
Federal Approval of This Action is Necessary

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Westport Oil & Gas, L.P.

Project Economics Worksheet

Instructions:

Fill in blue boxed areas with before and after project data. The evaluation results are shown below and graphed automatically at the bottom of the page. This sheet is protected to prevent accidental alteration of the formulas. See JTC for changes. OPX entered as annual costs and/or as unit OPX costs for \$/BF and \$/MCF

Project Name:

Condensate Shrinkage Economics

Is this job a well pull or production rig job ??? N (Y or N)

	BEFORE \$/Year	AFTER \$/Year	DIFFERENCE \$/Year
Gross Oil Revenue	\$1,088	\$1,099	\$11
Gross Gas Revenue	\$0	\$0	\$0
NGL Revenue	\$0	\$0	\$0
PULING UNIT SERVICE			\$0
WIRELINE SERVICE			\$0
SUBSURF EQUIP REPAIRS			\$0
COMPANY LABOR			\$0
CONTRACT LABOR	\$0	\$200	\$200
CONTR SERVICE			\$0
LEASE FUEL GAS	\$0	\$0	\$0
UTILITIES - ELECTRICITY	\$0	\$0	\$0
CHEMICAL TREATING			\$0
MATERIAL & SUPPLY	\$0	\$150	\$150
WATER & HAULING			\$0
ADMINISTRATIVE COSTS			\$0
GAS PLANT PROCESSING			\$0
Totals	\$0	\$350	\$350

Increased OPX Per Year

Investment Breakdown:

	Cap/Exp Code	Cost, \$
Capital \$	820/830/840	\$1,200
Expense \$	830/840	\$0
Total \$		\$1,200

Oil Price	\$ 23.00	\$/BO
Gas Price	\$ 3.10	\$/MCF
Electric Cost	\$ -	\$/ HP / day
OPX/BF	\$ 2.00	\$/BF
OPX/MCF	\$ 0.62	\$/MCF

Production & OPX Detail:

	Before		After		Difference	
Oil Production	0.192	BOPD	0.194	BOPD	0.002	BOPD
Gas Production	0	MCFPD	0	MCFPD	0	MCFPD
Wtr Production	0	BWPD	0	BWPD	0	BWPD
Horse Power		HP		HP	0	HP
Fuel Gas Burned		MCFPD		MCFPD	0	MCFPD

Project Life:

Life = Years
(Life no longer than 20 years)

Internal Rate of Return:

After Tax IROR =

AT Cum Cashflow:

Operating Cashflow = (Discounted @ 10%)

Payout Calculation:

$$\text{Payout} = \frac{\text{Total Investment}}{\text{Sum(OPX + Incremental Revenue)}} = 1$$

Payout occurs when total AT cashflow equals investment
See graph below, note years when cashflow reaches zero

Payout = Years or Days

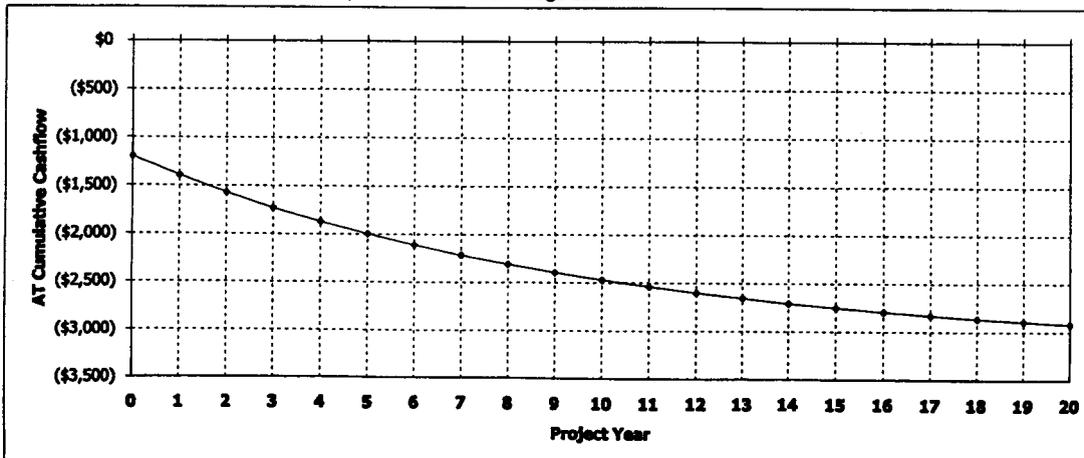
Gross Reserves:

Oil Reserves = 6 BO
Gas Reserves = 0 MCF
Gas Equiv Reserves = 38 MCFE

Notes/Assumptions:

An average NBU well produces 0.192 Bcpd with no tank pressure. The production is increased to 0.194 Bcpd if 4 ozs of pressure are placed on the tank. The increased production does not payout the valve cost or the estimated annual maintenance costs.

Project: Condensate Shrinkage Economics



Westport Oil and Gas, Inc.
NBU/Ouray Field
RFL 2003-022

COMPARISON OF FLASH BACK PRESSURES

Calculated by Characterized Equation-of-State

Flash Conditions		Gas/Oil Ratio (scf/STbbl) (A)	Specific Gravity of Flashed Gas (Air=1.000)	Separator Volume Factor (B)	Separator Volume Percent (C)
psig	°F				

Calculated at Laboratory Flash Conditions

80	70			1.019	
0	122	30.4	0.993	1.033	101.37%
0	60	0.0	—	1.000	98.14%

Calculated Flash with Backpressure using Tuned EOS

80	70			1.015	
6.0 oz	65	24.6	0.777	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
4.0 oz	65	24.7	0.778	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
2.0 oz	65	24.7	0.779	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
0	65	24.8	0.780	1.003	98.82%
0	60	0.0	—	1.000	98.52%

(A) Cubic Feet of gas at 14.696 psia and 60 °F per Barrel of Stock Tank Oil at 60 °F.

(B) Barrels of oil at indicated pressure and temperature per Barrel of Stock Tank Oil at 60 °F.

(C) Oil volume at indicated pressure and temperature as a percentage of original saturated oil volume.

Note: Bubblepoint of sample in original sample container was 80 psig at 70° F with 1 cc water

WELL	LEGALS	STFLEASENO	CANUMBER	APINO
NBU 332	10-10-21 NWSW	UTU01416A	891008900A	430473364000S1
NBU 333	13-10-21 SWSW	ML23608	891008900A	430473364100S1 ✓
NBU 335	4-10-22 SENE	UTU01191	891008900A	430473372400S1
NBU 336	4-10-22 NWNE	U-01191	891008900A	430473402700S1
NBU 337	4-10-22 SENW	U-01191-A	891008900A	430473402000S1
NBU 338	5-10-22 NESE	UTU01191	891008900A	430473405800S1
NBU 339	5-10-22 NWSE	UTU01191	891008900A	430473440600S1
NBU 340	6-10-22 SWNE	UTU01195	891008900A	430473372500S1
NBU 340X	6-10-22 SWNE	UTU01195	891008900A	430473401500S1
NBU 341	6-10-22 SWNW	UTU464	891008900A	430473372600S1
NBU 342	7-10-22 NWSE	UTU468	891008900A	430473372700S1
NBU 343	8-10-22 NWNE	UTU01196C	891008900A	430473371900S1
NBU 344	8-10-22 SWNE	UTU01196C	891008900A	430473402100S1
NBU 345	10-10-22 SWNE	UTU02587	891008900A	430473370400S1 ✓
NBU 345-4E	4-10-21 SWSW	UTU01393B	891008900A	430473470000S1 ✓
NBU 347	11-10-22 NWSW	UTU01197A	891008900A	430473370900S1 ✓
NBU 348	11-10-22 SWSW	UTU01197A-ST	891008900A	430473400100S1
NBU 349	11-10-22 SWSE	UTU01197A-ST	891008900A	430473400200S1 ✓
NBU 350	14-10-22 NWNE	UTU01197A	891008900A	430473364200S1 ✓
NBU 351	30-10-22 SESE	UTU0132568A	891008900A	430473366800S1
NBU 352	9-9-21 SWNW	UTU0149767	891008900A	430473392200S1
NBU 353	27-9-21 SENW	U01194A	891008900A	430473320500S1 ✓
NBU 354	31-9-22 NENW	UTU464	891008900A	430473323100S1
NBU 356	30-9-22 NENW	U463	891008900A	430473323200S1
NBU 357	15-10-21 SWSW	UTU01791A	891008900A	430473372800S1
NBU 358	16-10-21 SESW	ML10755	891008900A	430473370800S1
NBU 359	29-10-21 NWNE	ML21330	891008900A	430473370600S1
NBU 360	29-10-22 SESW	UTU0145824	891008900A	430473377300S1
NBU 361	32-10-22 NWNW	ML22798	891008900A	430473370500S1 ✓
NBU 362	28-9-21 SESW	UTU0576	891008900A	430473377400S1
NBU 363	28-9-21 SESE	UTU0576	891008900A	430473377500S1
NBU 364	29-9-21 SESE	UTU0581	891008900A	430473377600S1
NBU 365	3-10-21 SESE	UTU0149078	891008900A	430473377700S1
NBU 366	10-10-21 NWNW	UTU0149079	891008900A	430473372900S1
NBU 367	11-10-22 NESW	UTU01197A-ST	891008900A	430473370700S1 ✓
NBU 370	17-9-21 NWSW	UTU0575	891008900A	430473467200S1 ✓
NBU 371	8-9-21 SWSE	UTU0575B	891008900A	430473467300S1 ✓
NBU 375	12-9-21 SWNE	UTU0141317	891008900A	430473444000S1 ✓
NBU 376	12-9-21 NENE	UTU0141317	891008900A	430473444100S1 ✓
NBU 377	31-9-21 NENW	UTU0582	891008900A	430473436300S1
NBU 378	31-9-21 NWNE	UTU0582	891008900A	430473436400S1
NBU 381	23-10-22 SESW	UTU01198B	891008900A	430473423400S1
NBU 382	22-10-22 SENW	U-01198-B	891008900A	430473423500S1
NBU 383	21-10-22 SESW	U-489	891008900A	430473423600S1
NBU 384	30-10-22 SENW	UTU0132568A	891008900A	430473423700S1 ✓
NBU 385	18-10-22 SENW	ML22973	891008900A	430473422800S1
NBU 386	17-10-22 NESE	UTU470	891008900A	430473423800S1
NBU 387	23-10-21 SWSE	U-02277-A	891008900A	430473423900S1
NBU 388	22-10-21 SENW	U-02278-A	891008900A	430473424000S1
NBU 389	28-10-21 NENE	ML21329	891008900A	430473422900S1
NBU 390	30-10-21 SESE	ML22793	891008900A	430473423000S1
NBU 391	17-9-21 NWNW	UTU0575	891008900A	430473487400S1
NBU 393	22-9-20 SWNW	U0577B	891008900A	430473486400S1
NBU 394	11-10-22 SWSE	UTU01197A-ST	891008900A	430473480400S1 ✓
NBU 395	27-9-21 SWSW	UTU01194A-ST	891008900A	430473437400S1 ✓
NBU 396	33-9-21 NENW	UTU0576	891008900A	430473448000S1 ✓
NBU 397	26-10-20 NESW	UTU4476	891008900A	430473436500S1
NBU 398	18-10-21 NENW	UTU02270A	891008900A	430473436600S1
NBU 399	14-10-21 NWNW	UTU465	891008900A	430473440900S1
NBU 400	16-10-21 NENW	ML10755	891008900A	430473479400S1
NBU 401	23-10-21 NENE	UTU02278A	891008900A	430473480100S1
NBU 404	32-9-22 SWSE	ML22649	891008900A	430473437500S1 ✓
NBU 405	27-9-21 NENE	UTU01194A-ST	891008900A	430473440700S1 ✓
NBU 407	32-10-22 NENW	ML22798	891008900A	430473431800S1 ✓
NBU 408	31-10-22 NENE	UTU0143551	891008900A	430473459000S1 ✓
NBU 409	32-9-21 NWSW	ML48758	891008900A	430473442100S1 ✓
NBU 410	32-9-21 SWSW	ML48758	891008900A	430473487200S1
NBU 411	32-9-21 SESE	ML48758	891008900A	430473442200S1 ✓
NBU 412	32-10-22 SENW	ML22798	891008900A	430473431900S1 ✓
NBU 413	32-10-22 SWNW	ML22798	891008900A	430473432000S1 ✓
NBU 414	31-10-22 SENE	UTU0143551	891008900A	430473438700S1
NBU 414-20E	20-9-21 NWNE	U0143551/U0575	891008900A	430473477900S1
NBU 415-20E	20-9-21 SWNE	UTU0575	891008900A	430473448900S1 ✓
NBU 416	36-9-20 SESE	ML48757	891008900A	430473442300S1 ✓
NBU 418	12-9-21 NWNW	UTU0141317	891008900A	430473477700S1

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

013

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

U-02270-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

NATURAL BUTTES UNIT

8. Well Name and No.

NBU #398

9. API Well No.

43-047-34366

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

WESTPORT OIL & GAS COMPANY L.P.

3a. Address

P.O. BOX 1148 VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NENW SECTION 18-T10S-R21E 678'FNL & 1867'FWL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>PRODUCTION</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>START-UP</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

THE SUBJECT WELL WAS PLACED ON SALES ON 9/19/03 AT 10 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

RECEIVED

OCT 01 2003

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Sheila Upchego

Title

Regulatory Analyst

Signature



Date

September 25, 2003

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

WESTPORT OIL & GAS COMPANY, LP

CHRONOLOGICAL HISTORY

NBU 398

UINTAH COUNTY, UT

DRILLING REPORT:

	SPUD	Surface Casing	Activity	Status
6/18/03			Release to build location	Caza 82
6/19/03			Release to build location	Caza 82
6/20/03			Release to build location	Caza 82
6/23/03			Build location, 25% Complete	Caza 82
6/24/03			Build location, 25% Complete	Caza 82
6/25/03			Build location, 35% Complete	Caza 82
6/26/03			Build location, 40% Complete	Caza 82
6/27/03			Build location, 40% Complete	Caza 82
6/30/03			Build location, 95% Complete	Caza 82
7/1/03			Build location, 100% Complete	Caza 82
7/2/03			Build location, 100% Complete	Caza 82
7/3/03	7/3/03	9 5/8" @ 263	Pre-Set 9 5/8" csg. @ 263'	Caza 82
7/7/03	7/3/03	9 5/8" @ 263		WORT Caza 82
7/8/03	7/3/03	9 5/8" @ 263		WORT Caza 82
7/9/03	7/3/03	9 5/8" @ 263		WORT Caza 82
7/10/03	7/3/03	9 5/8" @ 263		WORT Caza 82
7/11/03	7/3/03	9 5/8" @ 263		WORT Caza 82
7/14/03	7/3/03	9 5/8" @ 263		WORT Caza 82
7/15/03	7/3/03	9 5/8" @ 263		WORT Caza 82
7/16/03	7/3/03	9 5/8" @ 263		WORT Caza 82

7/17/03	7/3/03	9 5/8" @ 263	WORT Caza 82
7/18/03	7/3/03	9 5/8" @ 263	WORT Caza 82
7/21/03		TD: 280' CSG 9 5/8" @ 280' MW: 8.3 SD: 7/XX/03 DSS:0 Moved rig from NBU 434. Finished rig repairs and rigged up. Tested BOPE. Will spud 7/21/03	
7/22/03		TD: 1810' CSG 9 5/8" @ 280' MW: 8.3 SD: 7/21/03 DSS:1 Finish testing BOPE. Rotary spud 7/21/03. Drlg Shoe. Drlg 7 7/8" hole to 1810'. DA.	
7/23/03		TD: 3250' CSG 9 5/8" @ 280' MW: 8.4 SD: 7/21/03 DSS:2 Drlg from 1810'-2020' w/Air Mist. Drlg w/Aerated Water to 3250'. DA.	
7/24/03		TD: 4231' CSG 9 5/8" @ 280' MW: 8.4 SD: 7/21/03 DSS:3 Drlg from 3250'-4200'. Well Kick @ 4200'. Pump 125 bbl 10.0# BrineDrlg to 4231. Pump 275 bbl 10.0# brine. Mixing mud to control gas.	
7/25/03		TD: 4231' CSG 9 5/8" @ 280' MW: 8.4 SD: 7/21/03 DSS:4 Circ Gas Kick. Mix and pump 11.0# Kill Mud w/partial returns. Well dead. Pump 11# mud w/LCM down back side. No returns. TIH. Change out rotating Head rubber. TIH.	
7/28/03		TD: 4231' CSG 7" @ 2543' MW: 8.4 SD: 7/21/03 DSS:7 TIH to 2500'. Attempt to circ 9.8 # mud. Partial to no returns. Attempt to cure Loss Circ. No success. POOH. PU 8 3/4" bit. Ream to 2650' POOH. Run and Cement 7" casing @ 2543'. ND BOPE set slips. PU 3.1/2" tools. NU and Testing BOPE at report time.	
7/29/03		TD: 4260' CSG 7" @ 2543' MW: 9.1 SD: 7/21/03 DSS:8 Finish NU and Testing BOPE.PU BHA and 3 1/2" DP. Drlg camant and FE. Wash to 4231. DA.	
7/30/03		TD: 4595' CSG 7" @ 2543' MW: 9.1 SD: 7/21/03 DSS:9 Drlg from 4260'-4595'. DA.	
7/31/03		TD: 4930' CSG 7" @ 2543' MW: 9.2 SD: 7/21/03 DSS:10 Drlg f/4595'-4684'. TF PDC Bit and MM. Drlg to 4930'. DA.	
8/1/03		TD: 5830' CSG 7" @ 2543' MW: 9.3 SD: 7/21/03 DSS:11 Drlg f/4930'-5830'. DA.	
8/4/03		TD: 7180' CSG 7" @ 2543' MW: 9.0 SD: 7/21/03 DSS:14	

Drlg from 5830'-7041'. Mud-Up for bit trip. Drlg to 7180 w/PDC Bit and Mud Motor. DA.

8/5/03

**TD: 7510' CSG 7" @ 2543' MW: 9.2 SD: 7/21/03 DSS:15
Drlg from 7180'-7510' w/PDC Bit and Mud Motor. DA.**

8/6/03

**TD: 7540' CSG 7" @ 2543' MW: 9.3 SD: 7/21/03 DSS:16
Drlg from 7510'-7523. TFNB and Mud Motor. Mud Motor failed. Change out MM. Drlg to 7540'. DA.**

8/7/03

**TD: 7711' CSG 7" @ 2543' MW: 9.3 SD: 7/21/03 DSS:17
Drlg from 7540'-7711'. DA.**

8/8/03

**TD: 7888' CSG 7" @ 2543' MW: 9.5 SD: 7/21/03 DSS:18
Drlg from 7711'-7888'. DA.**

8/11/03

**TD: 8392' CSG 7" @ 2543' MW: 9.2 SD: 7/21/03 DSS:21
Drlg from 7888'-7968'. TFNB. Drlg to 8044'. MM failed. TFMM and new bit. Drlg to 8392'. DA.**

8/12/03

**TD: 8533' CSG 7" @ 2543' MW: 9.3 SD: 7/21/03 DSS:22
Drlg from 8392'-8533 TD. Short trip. CCH for Logs. TOO H for Logs.**

8/13/03

**TD: 8533' CSG 7" @ 2543' MW: 9.3 SD: 7/21/03 DSS:23
Run OH Logs. TIH. LD Drlg Pipe and BHA**

8/14/03

**TD: 8533' CSG 7" @ 2543' MW: 9.3 SD: 7/21/03 DSS:24
Finish LD BHA. Set RBP @ 190'. ND BOPE. Install B section. NU and Test BOPE.**

8/15/03

**TD: 8533' CSG 7" @ 2543' MW: 9.3 SD: 7/21/03 DSS:24
Finish NU and Test BOPE. Retrieve CBP. Run and Cement 4 1/2" Production Casing. Set slips. ND BOPE. Released rig @ midnight 8/14/03. Prep to move to CIGE 265.**

9/16/03

MIRU. NDWH. NUBOP. TALLY 2 3/8" J-55 TBG. RIH TO 4200'. SD. PREP TO PMP ACID IN AM.

9/17/03

HELD SAFETY MEETING. MIRU ACID TRUCK. PMP 3 BBLS 15% HCL. DISPLACE TO BALANCED PLUG W/15.5 BBLS 2% KCL. POOH. LD 26 JTS TBG. EOT @ 3341'. RU SWAB EQUIP. BEGIN TO SWAB. MAKE 4 RUNS. RECOVER 18 BBLS, FFL @ 1500'. RD SWAB EQUIP. LAND TBG W/EOT @ 3340'. NDBOP. NUWH. PREP TO PERF THROUGH TBG IN AM. SWI. 3:00 PM SDFD.

9/18/03

HELD SAFETY MEETING. MIRU CUTTERS. PU 4' X 1 11/16" SHO-GUN STRIP GUNS LOADED W/9 GM CHARGES, 4 SPF, 0 DEG PHASING. RIH. SHOOT 16

HOLES FROM 4164'-68'. CORRELATED CBL TO SCHLUMBERGER GAMMA RAY LOG, ADJUST 12'. POOH. RDMO CUTTERS. 0# DIFFERENTIAL AFTER SHOT. ATTEMPT TO FLOW BACK. WELL DEAD. RU PMP & LINES. BRK DN FORM @ 1020#, EST INJ RATE 1.5 BPM @ 3000#. ISIP: 1200#, FG: .72. FLOW BACK WELL. PRESS TO 0# IN 5 MIN. CONT TO FLOW SLIGHTLY @ 0# PRESS, CP @ 350#. RECOVERED 13.5 BBLs. WELL DIED. RU SWAB EQUIP. RIH. MAKE 7 SWAB RUNS, RECOVER 28.5 BBLs. TOTAL RECOVERED: 42 BBLs. NO FLOW. SWI FOR PRESS BUILD UP. 3:00 PM SDFD.

9/19/03

SITP: 1000#, SICP: 750#. BEGIN FLOW WELL BACK TO FLAT TK. PRESS BLED TO 0# IN 45 MIN. REC 22 BBLs. WELL DIED. RU SWAB EQUIP. RIH. TAG IFL @ 1000'. MAKE SWAB RUN. REC 4 BBLs FLU. WELL BEGAN TO FLOW. FTP: 0#, SICP: 180#. FLOW FOR 3 HRS, SICP: 240#, FTP: 50#. TURN TO FACILITY. STABILIZED RATE @ 700 MCFPD. MIRU SCHLUMBERGER. HELD SAFETY MEETING. PRESS TST LINES TO 6000#, HELD. BEGIN ACID JOB W/400 GALS 7.5% HCL W/32, 1.3 SGBS, (BIO-BALLS). FOLLOWED BY 1000 GALS HYDROFLORIC ACID, FOLLOWED BY 100 GALS 7.5% HCL. FLUSH W/30 BBLs 2% KCL. TOTAL FLU PMP: 66 BBLs, MTP: 2350#. FAIR BALL ACTION. DID NOT BALL OUT. ISIP: 1144#. RDMO SCHLUMBERGER. BEGIN FLOW BACK. SICP: 1200#, FTP: 1000#, PRESS TO 0# FTP IN 12 MIN. WELL DIED IN 45 MIN. REC EST 40 BBLs. RU SWAB EQUIP. MAKE 2 SWAB RUNS TO 3000'. REC 0 BBLs. DRY RUNS. SWI FOR PRESS BUILD UP. 5:00 PM SDFN.

9/22/03

ON SALES

9/19/03: 847 MCF, 0 BC, 27 BW, TP: 591#, CP: 680#, 20/64" CHK, 20 HRS, LP: 107#. WENT ON SALES 9/19/03, 10:00 AM. 600 MCF, FTP: 400#, SITP: 850#, 8 BWPH, 20/64" CHK.
9/20/03: 1716 MCF, 0 BC, 15 BW, TP: 737#, CP: 800#, 20/64" CHK, 24 HRS, LP: 107#.

9/23/03

ON SALES

9/21/03: 1966 MCF, 0 BC, 10 BW, TP: 736#, CP: 812#, 20/64" CHK, 24 HRS, LP: 108#.



WESTPORT OIL AND GAS COMPANY, L.P.

1670 Broadway Suite 2800 Denver Colorado 80202
Telephone: 303 573 5404 Fax: 303 573 5609

RECEIVED

SEP 29 2003

September 26, 2003

EOG Resources, inc.

Ms. Toni Miller
EOG Resources, Inc.
600 17th Street
Ste. 1100N
Denver, CO 80206

RE: Exception Location
NBU 398
Green River completion
678' FNL, 1,867' FNL (NE/4NW/4) Sec 18-T10S-R21E
Uintah County, Utah
Natural Buttes Prospect

Dear Ms. Miller:

Westport Oil and Gas Company, L.P. drilled the captioned well to a depth of 8,530 to test the Wasatch and Mesaverde formations. Westport has decided to complete the well in the Green River formation at a depth above 4,200'. The Green River formation is not a unitized formation in the Natural Buttes Unit but is spaced on 160-acre drilling units by Spacing Order 197-10. The spacing order also provides the well shall be 1,000' from the exterior boundary of the drilling unit. Therefore the NBU 398 well would be considered an exception location as to the Green River formation.

EOG Resources holds leasehold offsetting our well to the north and south. Please sign and return a copy of this letter indicating EOG does not object to our request for an exception location for this well to produce from the Green River. If you have any questions, call me at 303-607-3445. Thank you for your assistance.

Sincerely,


Bruce E. Johnston
Land Manager
BEJ/180

EOG Resources Inc. does not object to the exception location for NBU 398 well in the Green River formation. Executed this 3rd day of October 2003.

By: _____
J. Michael Schween
Agent and Attorney-in-Fact



RECEIVED

OCT 09 2003

DIV. OF OIL, GAS & MINING

015



WESTPORT OIL AND GAS COMPANY, L.P.

1670 Broadway Suite 2800 Denver Colorado 80202
Telephone: 303 573 5404 Fax: 303 573 5609

CONFIDENTIAL

October 7, 2003

Ms. Diana Mason
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-6100

RE: Exception Location
NBU 398 *413-047-34366*
Green River completion
678' FNL, 1,867' FNL (NE/4NW/4) Sec 18-T10S-R21E
Uintah County, Utah
Natural Buttes Prospect

Dear Ms. Mason:

Westport Oil and Gas Company, L.P. drilled the captioned well to a depth of 8,530' to test the Wasatch and Mesaverde formations. Westport has decided to complete the well in the Green River formation at a depth above 4,200'. The Green River formation is not a unitized formation in the Natural Buttes Unit but is spaced on 160-acre drilling units by Spacing Order 197-10. The spacing order also provides the well shall be 1,000' from the exterior boundary of the drilling unit. Therefore the NBU 398 well would be considered an exception location as to the Green River formation.

EOG Resources and Westport holds the leasehold surrounding the exception location well. Attached is a letter from EOG indicating they do not object to the exception location. Westport, as operator of the subject well and offset leasehold owner does not object to the captioned well.

Westport requests your approval of this exception location to Spacing Order 197-10. The well has been completed in the Green River formation. The well will eventually be recompleted in the Wasatch and Mesaverde formations. If you have any questions, call me at 303-607-3445. Thank you for your assistance.

Sincerely,

Bruce E. Johnston
Bruce E. Johnston
Land Manager
BEJ/180a

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 10-16-03
By: [Signature]

COPY SENT TO OPERATOR
Date: 10-17-03
Initials: CHO

RECEIVED
OCT 19 2003
DIV. OF OIL, GAS & MINING

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

29. Disposition of Gas(Sold, used for fuel, vented, etc.)
SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
GREEN RIVER	1285	4536			
WASATCH	4536	7404			
MESAVERDE	7404	8533			

32. Additional remarks (include plugging procedure):

CEMENT WAS AS FOLLOWS:
SURFACE CASING- LEAD- CLASS G
INTERMEDIATE CASING- LEAD- CLASS G, PRE LITE 2 CMT, TAIL- CLASS G, PRE 2 CMT
PRODUCTION CASING- LEAD- LIGHTWEIGHT, PREMIUM LITE II, TAIL- POZ MIX, 50/50 POZ

33. Circle enclosed attachments:

- 1. Electrical/Mechanical Logs (1 full set req'd.)
- 2. Geologic Report
- 3. DST Report
- 4. Directional Survey
- 5. Sundry Notice for plugging and cement verification
- 6. Core Analysis
- 7 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #24849 Verified by the BLM Well Information System.
For WESTPORT RESOURCES CORP., sent to the Vernal

Name (please print) DEBRA DOMENICI Title SR ADMINISTRATIVE ASSISTANT

Signature _____ (Electronic Submission) Date 11/06/2003

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED
OMB No. 1004-0137
Expires: November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
U-02270-A

1a. Type of Well Oil Well Gas Well Dry Other
b. Type of Completion New Well Work Over Deepen Plug Back Diff. Resvr.
Other _____

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

2. Name of Operator WESTPORT OIL & GAS COMPANY L.P. Contact: SHEILA UPCHEGO
E-Mail: supcheho@westportresourcescorp.com

8. Lease Name and Well No.
NBU 398

3. Address 1368 SOUTH 1200 EAST
VERNAL, UT 84078

3a. Phone No. (include area code)
Ph: 435.781.7024

9. API Well No.
43-047-34366

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
Sec 18 T10S R21E Mer SLB
At surface NENW 678FNL 1876FWL

10. Field and Pool, or Exploratory
NATURAL BUTTES

11. Sec., T., R., M., or Block and Survey
or Area Sec 18 T10S R21E Mer SLB

12. County or Parish
UINTAH

13. State
UT

At top prod interval reported below

14. Date Spudded
07/03/2003

15. Date T.D. Reached
08/14/2003

16. Date Completed
 D & A Ready to Prod.
04/05/2004

17. Elevations (DF, KB, RT, GL)*
5083 GL

18. Total Depth: MD 8533
TVD

19. Plug Back T.D.: MD 8524
TVD

20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
CCH-TOOH-OH

22. Was well cored? No Yes (Submit analysis)
Was DST run? No Yes (Submit analysis)
Directional Survey? No Yes (Submit analysis)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.250	9.625 H-40	32.3		280		115			
8.625	7.000 J-55	23.0		2543		201			
6.250	4.500 J-55	11.6		8533		1170			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	7582							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) GREEN RIVER	3475	3490	3475 TO 3490			SQUEEZE
B) GREEN RIVER	4176	4190	4176 TO 4190			SQUEEZE
C) MESAVERDE	8262	8340	8262 TO 8340			24
D) MESAVERDE	8120	8135	8120 TO 8135			

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
3475 TO 3490	PMP 75 SX CLASS G SLURRY PMP 10 BBLs FRESH WATER
4176 TO 4190	PMP 100 SX CLASS G SLURRY PMP 20 BBLs
8262 TO 8340	CLEAN W/1458 BBLs & 154,600# SD
8120 TO 8135	CLEAN W/1210 BBLs & 127,500# SD

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
04/05/2004	04/06/2004	24	→	24.0	259.0	29.0			FLows FROM WELL
Choke Size	Tbg. Press. Flwg. 161 SI	Csg. Press. 520.0	24 Hr. Rate →	Oil BBL 24	Gas MCF 259	Water BBL 29	Gas:Oil Ratio	Well Status PGW	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
04/05/2004	04/06/2004	24	→	24.0	259.0	29.0			FLows FROM WELL
Choke Size	Tbg. Press. Flwg. 161 SI	Csg. Press. 520.0	24 Hr. Rate →	Oil BBL 24	Gas MCF 259	Water BBL 29	Gas:Oil Ratio	Well Status PGW	

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #31192 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED

RECEIVED

JUN 03 2004

28b. Production - Interval C

Date First Produced 04/05/2004	Test Date 04/06/2004	Hours Tested 24	Test Production →	Oil BBL 24.0	Gas MCF 259.0	Water BBL 29.0	Oil Gravity Corr. API	Gas Gravity	Production Method FLOWS FROM WELL
Choke Size 20/64	Tbg. Press. Flwg. SI 161	Csg. Press. 520.0	24 Hr. Rate →	Oil BBL 24	Gas MCF 259	Water BBL 29	Gas:Oil Ratio	Well Status PGW	

28c. Production - Interval D

Date First Produced 04/05/2004	Test Date 04/06/2004	Hours Tested 24	Test Production →	Oil BBL 24.0	Gas MCF 259.0	Water BBL 29.0	Oil Gravity Corr. API	Gas Gravity	Production Method FLOWS FROM WELL
Choke Size 20/64	Tbg. Press. Flwg. SI 161	Csg. Press. 520.0	24 Hr. Rate →	Oil BBL 24	Gas MCF 259	Water BBL 29	Gas:Oil Ratio	Well Status PGW	

29. Disposition of Gas(Sold, used for fuel, vented, etc.)
SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
GREEN RIVER	1285	4536			
WASATCH	4536	7404			
MESAVERDE	7404	8533			

32. Additional remarks (include plugging procedure):

PERF:
MESAVERDE: 7850'-7959' 52 HOLES - CLEAN W/1488 BBLS & 167,200# SD
WASATCH: 6041'-6300' 40 HOLES - CLEAN W/1354 BBLS & 141,620# SD

RIH OPEN ENDED W/129 JTS 2 3/8" TBG EOT @4174'. CIRC WELL W/60 BBLS FRESH WTR. RU PMP 10 BBLS FRESH WTR. PMP 50 SX CLASS G CMT 10 BBLS SLURRY. DISPLACE W/13 BBLS FRESH WTR. POOH W/18 STANDS 2 3/8" TBG EOT @3024'.

33. Circle enclosed attachments:

- 1. Electrical/Mechanical Logs (1 full set req'd.)
- 2. Geologic Report
- 3. DST Report
- 4. Directional Survey
- 5. Sundry Notice for plugging and cement verification
- 6. Core Analysis
- 7 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #31192 Verified by the BLM Well Information System.
For WESTPORT OIL & GAS COMPANY L.P, sent to the Vernal

Name (please print) SHEILA JPCHEGO

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 05/26/2004

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

** ORIGINAL ** ORIGINAL

RECEIVED

JUN 03 2004

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

020

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
U-02270-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NATURAL BUTTES

8. Well Name and No.
NBU 398

9. API Well No.
43-047-34366

10. Field and Pool, or Exploratory
NATURAL BUTTES

11. County or Parish, and State
UINTAH COUNTY, UT

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
WESTPORT OIL & GAS COMPANY L.P
Contact: SHEILA UPCHEGO
E-Mail: supchego@westportresourcescorp.com

3a. Address
1368 SOUTH 1200 EAST
VERNAL, UT 84078

3b. Phone No. (include area code)
Ph: 435.781.7024
Fx: 435.781.7094

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 18 T10S R21E NENW 678FNL 1867FWL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

THE SUBJECT WELL LOCATION WAS PLACED BACK ONTO SALES ON 4/5/04.
PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

14. I hereby certify that the foregoing is true and correct.
**Electronic Submission #31132 verified by the BLM Well Information System
For WESTPORT OIL & GAS COMPANY L.P, sent to the Vernal**

Name (Printed/Typed) SHEILA UPCHEGO Title REGULATORY ANALYST

Signature *[Signature]* Date 05/25/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

RECEIVED

JUN 03 2004

DIV. OF OIL, GAS & MINING

CONFIDENTIAL

WESTPORT OIL & GAS COMPANY, LP

CHRONOLOGICAL HISTORY

NBU 398

UINTAH COUNTY, UT

- 3/17/04** RU RIG. RU HOT OILER TO CSG, CIRC WELL W/ 80 BBLS 2% KCL , RECOVERING SMALL AMT OF OIL. NDWH, NU BOP. UNLAND 2 3/8" TBG. POOH W/105 JTS 2 3/8" TBG & S NIPPLE. PU 4 1/2" CMT RET, RIH W/ 2 3/8" TBG, 104 JTS. GOT INJ RATE BEFORE SETTING RET 1/4 BBL @ 400#. SET RET @ 3402. RU SCHLUMBERGER. TST LINES. PRESS TST TBG. HELD SAFETY MEETING. PMP 10 BBLS FRESH WTR. PMP 75 SXS CLASS G CMT SLURRY, 14.2 BBLS DIS W/ 13 BBLS. STAGE CMT 30 MIN. SQUEEZE HOLDING 2290#. STING OUT RET W/ TBG. REV TBG. RD SCHLUMBERGER. POOH W/ 2 3/8" TBG. SWI 4:00 PM .
- 3/18/04** OPEN WELL. PU. RIH W/ 3 7/8" BIT, BIT SUB, 4-3 1/8" DRILL COLLARS, X-O, PUP JT. RIH W/ 2 3/8" TBG. TAG @ 3398', 4 FT CMT ON TOP RET. RU DRILL EQUIP. BRK REV CIRC. DRILL DN TO RET @ 3402', 3 HRS TO DRILL UP CMT, RET DRILL, CMT DN TO 3500', FELL OUT CMT. RIH TO 3550'. CIRC WELL CLEAN . POOH W/ 4 STANDS . EOT @ 3300' . SWI, 5:00 PM.
- 3/19/04** AM OPEN WELL. PRES TEST CEMENTED PERFS 3475-90' TO 1500 # , HELD. RIH TAG CIBP @ 3700. RU SWIVEL , BROKE REV. CIR. DRILL UP CIBP @ 3700'. RIH TO 4600'. POOH W/ 2 3/8" TBG, 3 1/8" DRILL COLLARS, 3 7/8" BIT. PU 4 1/2 CEMENT RET. RIH W/ 125 JTS 2 3/8" TBG. SET RET @ 4073'. PERFS TO SQUEEZE 4176-90'. RU SCHLUM. HSM. TEST LINES . PRES TEST TBG. PUMP 9 BBLS. FRESH WTR. PUMP 100 SXS CLASS G CEMENT, 20 BBL. SLURRY . DIS W/ 7 BBLS FRESH , PRES WALKED UP TO 2800 # , HELD. UNSTING TBG FROM RET @ 4073. REV CIR. 8 BBLS. CEMENT OUT OF TBG. CIR W/ TOTAL 40 BBLS. WTR. POOH W/ 125 JTS 2 3/8" TBG. & STINGER. SWI 4:30 PM.
- 3/22/04** 7AM OPEN WELL . RU NEW 3 7/8" BIT , RIH W/ 4-31/8" DRILL COLLARS. RIH W/ 2 3/8" TBG. TAG @ 4066' , 7' CEMENT. BROKE REV. CIR. DRILL DOWN TO RET. @ 4073'. DRILL UP RET. DRILL CEMENT TO 4210'. FELL OUT CEMENT. CIR WELL CLEAN. PRES TEST WELL TO 2000#, HELD. RIH TO 4360' . SWI 5:30 PM.
- 3/23/04** OPEN WELL. RIH W/ 2 3/8" TBG. TAG @ 8337'. RU DRILL EQUIP. BRK REV CIRC. DRILL DN TO PBD, 8480'. CIRC WELL CLEAN W/ 2% KCL. POOH W/ 2 3/8" TBG. POOH. LD 4 - 3 1/8" DRILL COLLARS, 3 7/8" BIT. X-O TO 2 7/8" EQUIP. PU 4 1/2" ARROW-SET PKR, X-O, PU & RIH W/ 2 7/8" HYDRIL PH 6 TBG, 120 JTS. EOT @ 3760'. SWI 6:00 PM.
- 3/24/04** OPEN WELL . FINISH RIH W/ 2 7/8" TBG, 138 JTS TOTAL . SET ARROW-SET PKR @ 4273'. TST CSG TO 500#, HELD. RU CUTTERS. RIH W/ 1-11/16 OD PERF GUNS , 9 GRAM CHARGES, .24 HOLES. 11" PEN. SHOOT 8262-8340'. RU SCHLUMBERGER. TST LINES. HELD SAFETY MEETING. BRK PERFS 8912 , INJ RATE: 2.1, INJ PRESS: 3200#, ISIP: 2850#, FG: .78, MTP: 9244#, MTR: 20.6 BPM, ATP: 8093#, ATR: 18.6 BPM, FG: .87, ISIP: 3660#, NPI: 810#, CLEAN 1458 BBLS , SD: 154,600# . PMP SD PLUG @ END OF JOB. STAGE 2: RU CUTTERS. RIH W/ 1-11/16 GUNS STACK OUT ON SD @ 8060. 60 FT HIGHER THAN PERFS TO SHOOT. RU SCHLUMBERGER. RU TO TBG, PRESS UP TO

5000#. RU & FLOW WELL, 5 BBLS. WIRELINE STUCK, THEN GOT FREE. POOH W/WIRELINE . UNABLE TO GET BACK INTO TBG W/ GUN. WORK LINE. PULL LINE APART W/ BLOCKS. POOH W/ LINE. NO TOOLS. RU FLOWLINE ON 24 CHOKE, 1900# OPENING PRESS 9:00 PM.

- 3/25/04** WELL FLOWING 20 BPH WTR. LITTLE GAS, OPEN CHOKE, NO PRESS. UNSET ARROW 4 1/2 PKR @ 4273'. REV CIRC, 50 BBLS BRINE. KILL WELL. POOH W/ 54 STANDS, 2 7/8" TBG. EOT @ 900'. TRANS BRK ON RIG. RU FLOWLINE TO TANK & FLOW WELL 11:00 AM.
- 3/26/04** REPAIR ON RIG. 3:00 PM POOH W/ 31 JTS 2 7/8 PH6 & PKR. PERF GUN STUCK IN PKR. LD SAME. PREP TO SET CBP IN AM & RUN TBG. SWI 6:00 PM.
3/25/04 FLOW BACK REPORT: CP: 0#, 64/64" CHK, 6 BWPH, 16 HRS, SD: NONE, TTL BBLS FLWD: 114, LOAD REC TODAY: 114 BBLS, REMAINING LTR: -114 BBLS, TOTAL LOAD REC TO DATE: 732 BBLS.
- 3/29/04** OPEN WELL. 400#. BLOW DN . PUMP 100 BBLS. DN CSG. RU CUTTERS RIH . SET 10K CBP @ 8185'. RD CUTTERS. PU 4 1/2 ARROW PKR. RIH W/ 2 7/8" TBG, 138 JTS. SET PKR @ 4273". NO-TST ON CSG . ABLE TO PUMP INTO SQUEEZE, 1/8 BBL @ 500#. RU TO TST TBG, 1000#, HELD. SHOOT PERFS 8120-35', 4 SPF W/ 1-11/16 GUNS. SWI 3:00 PM.
- 3/30/04** OPEN WELL. RU SCHLUMBERGER. HELD SAFETY MEETING. TST LINES . PMP STAGE 2: PERFS 8120-35, BRK PERFS @ 6337, INJ RATE: 2., INJ PRESS: 3300#, ISIP: 2650#, FG: .76, MTP: 8811#, MTR: 22.2 BPM, ATP: 6783#, ATR: 19.8 BPM, FG: .86, ISIP: 3480#, NPI: 830#, CLEAN: 1210, SD: 127,500# .
STAGE 3: RU CUTTERS. RIH W/ 1-11/16 GUNS. TAG SD @ 7980'. SHOT PERFS 7850-7956, 52 HOLES. RU SCHLUMBERGER. BRK PERFS @ 10,000, INJ RATE: 3.6 , INJ PRESS: 4385# ISIP: 3150#, FG: .83 MTP: 9761#, MTR: 20 BPM, ATP: 8142#, ATR: 18.9 BPM, FG: .83 , ISIP: 3150#, NPI: 0, CLEAN: 1488, SD: 167,200#.
STAGE 4: RIH W/ CUTTERS, RIH W/ 1-11/16" GUN. SHOT PERFS 6041-6300, 40 HOLES. RD CUTTERS. RU SCHLUMBERGER, BRK PERFS @ 6399, INJ RATE: 5.6, INJ PRESS: 7327#, ISIP: 3089#, FG: .93, MTP: 9398#, MTR: 22.4 BPM, ATP: 6995#, ATR: 19.3 BPM, FG: .80, ISIP: 2250, NPI: 0, CLEAN 1354, SD: 141,620#. TOTAL CLEAN 5510 BBLS. TOTAL SD: 590,920# .RD SCHLUMBERGER. FLOW WELL TO TANK ON 24 CHOKE. 1300# OPENING PRESS. TURN WELL OVER FLOW TESTERS 6:30 PM.
 FLOW BACK REPORT: CP: 0#, TP: 50#, 64/64" CHK, 44 BWPH, 13 HRS, SD: TRACE, APPROX MCFD: 1200, CORRECTED MCFD 0.38: 456, TTL BBLS FLWD: 1080, TODAY'S LTR: 500 BBLS, LOAD REC TODAY: 1080 BBLS, REMAINING LTR: -580 BBLS, TOTAL LOAD REC TO DATE: 1080 BBLS.
- 3/31/04** WELL FLOWED 1080 BBLS & SD OVERNIGHT. WELL FLOWING ON OPEN CHK, 50#. RU WIRELINE. RIH. SET CBP @ 4238'. RD WIRELINE. PU 4 1/2" PKR. RIH W/ 110 JTS 2 3/8" TBG, SET PKR @ 3894. TST DN TBG, INJ 1/2 BBL @ 1200#. UNSET PKR. POOH W/ 2 3/8" TBG. SWI 5:30 PM.
- 4/1/04** OPEN WELL. RIH OPEN ENDED, W/ 129 JTS 2 3/8" TBG. EOT @ 4174' . CIRC WELL W/ 60 BBLS FRESH WTR. RU SCHLUMBERGER. PMP 10 BBLS. FRESH WTR. PMP 50 SXS CLASS G CMT. 10 BBLS SLURRY. DISPLACE W/ 13 BBLS FRESH. POOH W/ 18 STANDS 2 3/8" TBG. EOT @ 3024. REV CIRC W/ 26 BBLS.. RU SCHLUMBERGER TO TBG. PMP 1/2 BBL, 1630# & HOLDING. BLED OFF PRESS 1/2 BBL. RD SCHLUMBERGER. POOH W/ 2 3/8" TBG. PU 3 7/8" BIT & BIT SUB, RIH W/ 110 JTS 2 3/8" TBG. TAG CMT TOP @ 3584'. RU DRILL EQUIP. GOT TO 3839' W/ 118 JTS . CIRC WELL CLEAN. SWI 6:00 PM.
- 4/2/04** OPEN WELL. RIH. BRKE REV CIRC. CONT DRILLING FROM 3839'. FELL OUT CMT @ 4195'. RIH TO 4232'. CIRC WELL CLEAN . PRESS TST TO 500#, HELD. RD DRILL EQUIP.

CONFIDENTIAL

POOH W/ 2 3/8" TBG. BIT SUB & 3 7/8" BIT. PU RIH W/NEW 3 7/8" BIT, POBS, 1 JT 2 3/8" TBG, X-NIPPLE, RIH W/ 2 3/8" TBG. TAG CBP @ 4238'. DRILL UP CBP @ 4238. CIRC WELL. RIH W/ 20 STANDS. EOT @ 5500'. SWI 6:30 PM.

4/5/04

7AM OPEN WELL, 350#. RIH W/ 2 3/8" TBG. TAG @ 7855' DRILL & CIRC SD TO CBP @ 8185'. DRILL UP CBP @ 8185'. RIH, CLEAN OUT TO PBT @ 8481' W/ 262 JTS. CIRC WELL. POOH. LD 2 3/8' TBG. LAND TBG W/ 235# JTS IN WELL. EOT @ 7615'. ND BOP, NU WH. DROP BALL, POBS. FLOW WELL TO TANK. RD RIG. TURN WELL OVER TO FLOWBACK CREW. MOVE OFF 6PM.

4/6/04

FLOW BACK REPORT: CP: 860#, TP: 50#, 64/64" CHK, 3 BWPH, SD: CLEAN, 24 HRS, TTL BBLs FLWD: 3720, TODAY'S LTR: 3810 BBLs, LOAD REC TODAY: 90 BBLs, REMAINING LTR: 3720 BBLs, TOTAL LOAD RECOVERED TO DATE: 1258 BBLs. TURNED TO SALES 04/05/2004. **FINAL REPORT.**

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING
1. DJJ
2. CDW

X Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:		1/6/2006
FROM: (Old Operator): N2115-Westport Oil & Gas Co., LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024	TO: (New Operator): N2995-Kerr-McGee Oil & Gas Onshore, LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024	

WELL NAME	CA No.	Unit:	NATURAL BUTTES UNIT					
	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/10/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/10/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/7/2006
- a. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- b. If **NO**, the operator was contacted on:
- 5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: n/a 3 LA wells & all PA wells transferred
- 5c. Reports current for Production/Disposition & Sundries on: ok
- 6. Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 3/27/2006 BIA not yet
- 7. Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 3/27/2006
- 8. Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- 9. Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on:

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 5/15/2006
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 5/15/2006
- Bond information entered in RBDMS on: 5/15/2006
- Fee/State wells attached to bond in RBDMS on: 5/16/2006
- Injection Projects to new operator in RBDMS on: _____
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a Name Change Only

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: CO1203
- Indian well(s) covered by Bond Number: RLB0005239
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0005236
- a. The **FORMER** operator has requested a release of liability from their bond on: n/a rider added KMG
The Division sent response by letter on: _____

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 5/16/2006

COMMENTS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
KERR-McGEE OIL & GAS ONSHORE LP

3a. Address
1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)
(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SEE ATTACHED

5. Lease Serial No.
MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State
UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other CHANGE OF OPERATOR
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

PLEASE BE ADVISED THAT KERR-McGEE OIL & GAS ONSHORE LP, IS CONSIDERED TO BE THE OPERATOR OF THE ATTACHED WELL LOCATIONS. EFFECTIVE JANUARY 6, 2006. KERR-McGEE OIL & GAS ONSHORE LP, IS RESPONSIBLE UNDER TERMS AND CONDITIONS OF THE LEASE(S) FOR THE OPERATIONS CONDUCTED UPON LEASE LANDS. BOND COVERAGE IS PROVIDED BY STATE OF UTAH NATIONWIDE BOND NO. RLB0005237.

RECEIVED

MAY 10 2006

DIV. OF OIL, GAS & MINING

*BLM BOND = C01203
BIA BOND = RLB0005239*

APPROVED 5/16/06

Earlene Russell
**Division of Oil, Gas and Mining
 Earlene Russell, Engineering Technician**

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) RANDY BAYNE	Title DRILLING MANAGER
Signature <i>Randy Bayne</i>	Date May 9, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
WESTPORT OIL & GAS COMPANY L.P.

3a. Address
1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)
(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SEE ATTACHED

5. Lease Serial No.
MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State
UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other CHANGE OF OPERATOR

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

EFFECTIVE JANUARY 6, 2006, WESTPORT OIL & GAS COMPANY L.P., HAS RELINQUISHED THE OPERATORSHIP OF THE ATTACHED WELL LOCATIONS TO KERR-McGEE OIL & GAS ONSHORE LP.

APPROVED 5/16/06
Earlene Russell
 Division of Oil, Gas and Mining
 Earlene Russell, Engineering Technician

RECEIVED
 MAY 10 2006

DIV OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) BRAD LANEY	Title ENGINEERING SPECIALIST
Signature	Date May 9, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by <i>Brad Laney</i>	Title	Date 5-9-06
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Colorado State Office
2850 Youngfield Street
Lakewood, Colorado 80215-7076

IN REPLY REFER TO:

CO922 (MM)
3106
COC017387 et. al.

March 23, 2006

NOTICE

Kerr-McGee Oil & Gas Onshore L.P. :
1999 Broadway, Suite 3700 : Oil & Gas
Denver, CO 80202 :

Merger/Name Change - Recognized

On February 28, 2006 this office received acceptable evidence of the following mergers and name conversion:

Kerr-McGee Oil & Gas Onshore L.P., a Delaware Limited Partnership, and Kerr-McGee Oil & Gas Onshore LLC, a Delaware Limited Partnership merger with and into Westport Oil and Gas Company L.P., a Delaware Limited Partnership, and subsequent Westport Oil & Gas Company L.P. name conversion to Kerr-McGee Oil & Gas Onshore L.P.

For our purposes the merger and name conversion was effective January 4, 2006, the date the Secretary of State of Delaware authenticated the mergers and name conversion.

Kerr-McGee Oil & Gas Onshore L.P. provided a list of oil and gas leases held by the merging parties with the request that the Bureau of Land Management change all their lease records from the named entities to the new entity, Kerr-McGee Oil & Gas Onshore L.P. In response to this request each state is asked to retrieve their own list of leases in the names of these entities from the Bureau of Land Management's (BLM) automated LR2000 data base.

The oil and gas lease files identified on the list provided by Kerr-McGee Oil & Gas Onshore L.P. have been updated as to the merger and name conversion. We have not abstracted the lease files to determine if the entities affected by the acceptance of these documents holds an interest in the lease, nor have we attempt to identify leases where the entity is the operator on the ground that maintains vested record title or operating rights interests. If additional documentation, for change of operator, is required you will be contacted directly by the appropriate Field Office. The Mineral Management Services (MMS) and other applicable BLM offices were notified of the merger with a copy of this notice

Please contact this office if you identify additional leases where the merging party maintains an interest, under our jurisdiction, and we will document the case files with a copy of this notice. If the leases are under the jurisdiction of another State Office that information will be forwarded to them for their action.

Three riders accompanied the merger/name conversion documents which will add Kerr-McGee Oil and Gas Onshore LLC as a principal to the 3 Kerr-McGee bonds maintained by the Wyoming State Office. These riders will be forward to them for their acceptance.

The Nationwide Oil & Gas Continental Casualty Company Bond #158626364 (BLM Bond #CO1203), maintained by the Colorado State Office, will remain in full force and effect until an assumption rider is accepted by the Wyoming State Office that conditions their Nationwide Safeco bond to accept all outstanding liability on the oil and gas leases attached to the Colorado bond.

If you have questions about this action you may call me at 303.239.3768.

/s/Martha L. Maxwell
Martha L. Maxwell
Land Law Examiner
Fluid Minerals Adjudication

Attachment:

List of OG Leases to each of the following offices:

MMS MRM, MS 357B-1

WY, UT, NM/OK/TX, MT/ND, WY State Offices

CO Field Offices

Wyoming State Office

Rider #1 to Bond WY2357

Rider #2 to Bond WY1865

Rider #3 to Bond WY1127



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>

IN REPLY REFER TO:
3106
(UT-922)

March 27, 2006

Memorandum

To: Vernal Field Office

From: Chief, Branch of Fluid Minerals

Subject: Merger Approval

Attached is an approved copy of the merger recognized by the Bureau of Land Management, Colorado State Office. We have updated our records to reflect the merger from Westport Oil and Gas Company L.P. into Kerr-McGee Onshore Oil and Gas Company. The merger was approved effective January 4, 2006.

Chief, Branch of
Fluid Minerals

Enclosure

Approval letter from BLM COSO (2 pp)

cc: MMS, Reference Data Branch, James Sykes, PO Box 25165, Denver CO 80225
State of Utah, DOGM, Attn: Earlene Russell, PO Box 145801, SLC UT 84114
Teresa Thompson
Joe Incardine
Connie Seare
Dave Mascarenas
Susan Bauman

RECEIVED

MAR 28 2006

DIV. OF OIL, GAS & MINERALS

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-02270-A
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 398
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047343660000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6007 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0678 FNL 1867 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 18 Township: 10.0S Range: 21.0E Meridian: S	9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 12/2/2010	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input checked="" type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This well returned to production on 12/2/2010.

Accepted by the
 Utah Division of
 Oil, Gas and Mining
FOR RECORD ONLY

NAME (PLEASE PRINT) Andy Lytle	PHONE NUMBER 720 929-6100	TITLE Regulatory Analyst
SIGNATURE N/A		DATE 12/27/2010

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-02270-A
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 398
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047343660000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6456 9. FIELD and POOL or WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0678 FNL 1867 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 18 Township: 10.0S Range: 21.0E Meridian: S	COUNTY: UINTAH STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 1/20/2017	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input checked="" type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width:100px;" type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The NBU 398 well was returned to production on 1/20/2017.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
 February 02, 2017

NAME (PLEASE PRINT) Candice Barber	PHONE NUMBER 435 781-9749	TITLE HSE Representative
SIGNATURE N/A	DATE 1/26/2017	